



**Governor's Office of
Agricultural Policy**

Kentucky Agricultural Development Fund

Kentucky Agricultural Finance Corporation

Annual Report July 2006-June 2007

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Executive Summary

Taking a look back to the turn of the century it is amazing what Kentucky agriculture has accomplished in such a short amount of time. First, the passage of HB 611, creating the Agricultural Development Fund, the federal tobacco buy-out, breaking the \$4 billion level in farm gate receipts, and the success of our agricultural diversification efforts, just to name a few.

The proof of this success can be seen from the highways of the Commonwealth, in the stockyards, and farmers' markets in our rural communities. Kentucky agriculture has a lot to be excited about and the unprecedented unity within the agricultural community allows our leaders to keep their eyes on the goal of improving our agriculture and rural economies.

Today, Kentucky agriculture is much more than food production. Kentucky has the only commercial scale facility in the world that extracts purified proteins and other value-added products from plants for the manufacturing of pharmaceuticals and other plant made products. This year, we saw the construction of Kentucky's first major biodiesel facility. Through the successes of diversification, Kentucky farmers are taking today's agriculture commodities and turning them into opportunities for tomorrow.

A great deal has been accomplished this year through partnerships with the Kentucky Department of Agriculture, University of Kentucky, College of Agriculture, Allied Food Marketers West and many others. Marketing and market development remained a top priority and efforts included: opening doors to retail markets; promoting the Kentucky Proud brand, making it one of the most recognized brands in the marketplace today; introducing the web-based MarketMaker program; and creating new opportunities for farmers to produce and add value to their commodities. This work chartered new territory and built relationships in the food industry that will benefit Kentucky farmers for years to come.

Because farmers face a world of constant change, agriculture leaders must continue to push forward and prepare for the future. Two important initiatives made this year began this preparation. First, the Agricultural Development Board approved a major initiative to update County Comprehensive Plans during 2007. Second, on March 15, 2007, Governor Ernie Fletcher hosted the first Summit on Agriculture that brought agriculture leaders together to begin the process of developing a strategic plan of action. He challenged agriculture leaders to bring forward a plan embracing the goals and objectives of the entire agricultural industry and one that creates a roadmap to guide Kentucky agriculture to a brighter and more profitable tomorrow. The development of that plan is well underway and should be completed by the end of 2007.

The successes of the past have created a positive environment in rural Kentucky and a more profitable, growing agriculture industry. One that is eager to build on its achievements and successes. On behalf of Kentucky's farm families, we thank Governor Fletcher and the General Assembly for the financial resources to keep Kentucky agriculture moving forward.

Long-term Plan Priorities

Kentucky's historic investment in agricultural diversification created an unprecedented opportunity for Kentucky farmers to access funds for agricultural diversification and the expansion of farm based enterprises. To provide a guide for this investment, Kentucky's agricultural community came together and created a long-term plan. In January 2002, the Kentucky Agricultural Development Board (KADB) approved Kentucky's first long-term plan for agricultural development, *Cultivating Rural Prosperity*. This plan is the blueprint for Kentuckians in addressing issues associated with agricultural growth and diversification in the Commonwealth as we begin the difficult task of changing an industry that is dependent upon tobacco.

The Kentucky Agricultural Development Board focused this fiscal year on the following six priorities as they continued their commitment to funding agricultural diversification throughout the Commonwealth.

Priority #1

Marketing and Market Development

The Kentucky Agricultural Development Board has worked extensively with producers and commodity groups toward the development of the infrastructure for Kentucky agriculture. Investments in this area range from local farmers' markets to large-scale value-added processing. All of which are important in creating a comprehensive local, regional, and state marketing system for Kentucky farm products.

Priority #2

Improving Access to Capital

The Kentucky Agricultural Development Board recognizes that, while capital sources are generally available to producers, commercial lenders might be reluctant to provide financing for products and businesses where there is limited financial history. To address this concern, the KADB supported the reactivation of the Kentucky Agricultural Finance Corporation.

Priority #3

Financial Incentives for Environmental Stewardship

Developing environmental awareness in tandem with agricultural diversification is critical to the quality of Kentucky's rural communities. The Agricultural Development Fund continues to support state-wide conservation efforts through direct budget appropriations for



Marketing and Market Development: Rebekah Grace has helped expose Kentucky producers to the natural and organic food markets.



Access to Capital: Kentucky Agricultural Finance Corporation provides loans for agricultural facilities including structures that improve the profitability of a farming operation.



Environmental Stewardship: The Kentucky Agricultural Development Board continues to support state wide conservation efforts through its programs and policies.

Long-term Plan Priorities



Education and Computer Literacy:
Kentucky Community and Technical College System teaches farmers how to effectively use computer technology.

(Priority #3 Continued)

investments in conservation programs, farmland preservation, and rural waterline extension. The Kentucky Agricultural Development Board has also supported environmental stewardship through the approval of local programs designed to improve farm management techniques for long-term sustainability.

Priority #4

Farm Family Education and Computer Literacy

Farm families are the cornerstone of Kentucky's agricultural community. The Kentucky Agricultural Development Board is committed to strengthening and improving the accessibility of education and training programs tailored specifically for the needs of farm families.

Much of the funding in this area falls under the Kentucky Center for Agricultural Development and Entrepreneurship program, which is discussed in detail in the KCADE report.

Priority #5

Supporting Local Leadership

County Agricultural Development Councils and County Extension Agents are catalysts for change that is occurring in Kentucky's agricultural communities. Kentucky Agricultural Development Funds are being used to support this leadership by providing administrative funds for county councils. The Kentucky Agricultural Development Board recognizes the need to continue supporting the leadership efforts of the county agricultural development councils and the Cooperative Extension Service network, while developing programs to encourage local leadership in rural communities.



Supporting Local Leadership:
The first Governor's Summit on Agriculture was held to give leaders across the state input on the future of agriculture in the Commonwealth.

Priority #6

Research and Development

The Kentucky Agricultural Development Board recognizes the need to maintain strong commitments to applied research in existing farm product areas, as well as the importance of exploring the viability of high-value markets in non-traditional areas.



Research and Development:
The Board continues to support alternative energy sources such as Switchgrass that is shown in the above picture.

Entrepreneurship & Education

The mission of the Kentucky Center for Agricultural Development and Entrepreneurship (KCADE) is to advance statewide efforts to diversify the basis of Kentucky's agricultural economy by providing or coordinating: 1) technical assistance; 2) resource information; 3) cost-share grants; and 4) capacity building education, and hands-on training.

November 2006, the Agricultural Development Board's Marketing and Entrepreneurship Committee met to discuss KCADE's activities and made recommendations for 2007. In addition to maintaining GOAP as the staff for marketing, promoting, and administering KCADE programs with a staff member dedicated to KCADE, the committee made recommendations in the mission statement areas. The following are the recommendations by area and how they were accomplished.

Technical Assistance

The committee recommended partnering with other organizations to develop and provide regional training programs on business plan development. Staff discussed with the Kentucky Center for Agriculture and Rural Development the possibility of partnering to provide business planning education.

The committee directed staff to work with the UK College of Agriculture to provide a second round of funding for the Kentucky Entrepreneurial Coaches Institute (KECI) in a new region of the Commonwealth. KECI worked with staff and the board to identify the counties that would make up the new area for this program, which received \$883,545 for a two-year program in the following counties: Adair, Allen, Barren, Butler, Casey, Clay, Clinton, Cumberland, Edmonson, Green, Hart, Laurel, Marion, Metcalfe, Monroe, McCreary, Pulaski, Russell, Taylor, Warren, Washington, and Wayne.

Resource Information

To improve on the mission of identifying and providing other financial opportunities for entrepreneurs, the committee recommended the continued publishing of newsletters and grant notices, as well as research ways to leverage KCADE funds in all targeted areas of the mission statement. To communicate available resources to constituents, KCADE publishes three electronic newsletters for Kentucky's agriculture and rural communities.

Kentucky Agricultural Development Fund Update (KADFU): provides updates on the programs and policies of the Agricultural Development Fund [semi-monthly, 300 recipients]

KCADE Bulletin: articles that feature topics important to entrepreneurial businesses, such as capitol access, grant writing tips, electronic resources, and funding opportunities; also features an agricultural entrepreneur or service provider [quarterly, 600 recipients]

Grant Bytes: provides information on new funding opportunities [monthly, 600 recipients]

Cost-share Grants

Since its establishment, KCADE has supported market/feasibility studies, entrepreneurship development, technical assistance/education, and product research for a total of \$4,168,533.50 in grants. At its May 2007 meeting, the Kentucky Agricultural Development Board recommitted a total of \$943,000 for continuation of KCADE's grant program for agricultural entrepreneurs. There were 5 grants, totaling \$779,463, for fiscal year 2007. See Appendix C for specific projects.

The committee directed staff to develop a more customer friendly application for KCADE cost-share funds to be presented to the Board at the beginning of 2007. The existing application for all Agricultural Development Funds was modified and remains the application for KCADE funds.

Capacity Building Education/Training

Additionally, the committee noted that KCADE needs to focus on creating an environment for entrepreneurship in rural Kentucky. To accomplish this goal, the committee recommended the sponsorship of a minimum of four regional entrepreneurship training sessions in 2007 and the continuation of on-line information resources, as well as looking for new ways to promote regional resources. On-line information resources continue to be available. To date, the regional training sessions for entrepreneurship have not been executed.

County Model Programs

County Model Programs provide assistance to individual producers through local administrative organizations. They are designed to provide farmers with cost-share funds giving them the opportunity to improve and diversify their current production practices. The following fourteen model programs are offered throughout the Commonwealth.

The **Agricultural Diversification Program** is designed to improve net farm income through the development and expansion of new agricultural products and new ways of working with existing agricultural commodities.

The **Cattle Genetics Improvement Program** is designed to increase the genetic quality of beef and dairy cattle in Kentucky through the selection of superior sires, either through purchase/lease of sires or semen.

The **Cattle Handling Facilities Program** is designed to improve and promote best management and health practices that augment efficient production and marketing opportunities.

The **Commercial Poultry Program** is designed to enable farmers involved in poultry production to expand the scope of their enterprise and/or modernize their facilities in order to improve profitability.

The **Dairy Diversification Program** is designed to encourage and assist existing and new dairy producers in renovating and modernizing dairy facilities.

The **Farm Livestock Fencing Improvement Program** is designed to improve pasture quantity, quality, and efficient use for livestock producers.

The **Forage Improvement and Utilization Program** is designed to improve forage quality, quantity, and efficient use, as well as, encourage science-based forage management decisions.

The **Goat and Sheep Diversification Program** is designed to assist producers in diversifying into goat and sheep production by promoting animal health and improving the genetic base of Kentucky's goat and sheep herds.



The **Hay Straw and Commodity Storage Program** is designed to employ best practices related to storage and utilization of feed, hay and straw, thus improving feed and straw quality and animal nutrition.

The **On-Farm Water Enhancement Program** is designed to provide farmers the opportunity to adopt a proactive and systematic approach to expand existing water supplies or to develop alternative water resources.



The **Shared-Use Equipment Program** is designed to impact a high number of producers who cannot justify ownership expenses associated with certain equipment by helping them access technology necessary to improve their operation in an economic manner.

The **Swine Diversification Program** is designed to enable a farmer to begin a swine enterprise and allow producers already engaged in swine production to expand/modernize the scope of their enterprise.

The **Technology Program** is designed to improve farm operation efficiency and assist producers already exploring the use of technology, or wanting to start exploring technology, in their operations.

The **Timber Production, Utilization, and Marketing Program** is designed to develop new revenue sources for farmers through growing and utilizing existing and new natural resources and to promote timber production and processing in areas not suitable for crop or livestock production.

Agricultural Development Board & Staff

Statutory Members

Ernie Fletcher, Chair

Governor of Kentucky

Richie Farmer, Vice-Chair

Commissioner of Agriculture

John Hindman

Secretary, Economic
Development Cabinet

Dr. M. Scott Smith

Director, Kentucky Cooperative
Extension Service

Governor Appointees

Donna Amburgey

Montgomery County
Cattle, Tobacco, Corn, and Hay
Producer
Term Expires: July 2007

H.H. Barlow

Barren County
Dairy and Cash Hay Producer
Term Expires: July 2007

Vickie Yates Brown

Jefferson County
Attorney with farm experience
Term Expires: July 2010

John Cleaver

Nicholas County
Tobacco, commercial cattle and
alfalfa hay producer
Term Expires: July 2008

Rodney Dick

Pulaski County
Tobacco, cattle, and hay
producer
Term Expires: July 2009

Dennis Griffin

Kenton County
Hay/forage, cattle, and tobacco
producer
Term Expires: July 2008

Wayne Hunt

Christian County
Cash grain and tobacco
producer; Agribusiness owner
Term Expires: July 2010

Sam Lawson

Warren County
Kentucky Chamber of
Commerce
Term Expires: July 2007

Jim Mahan

Fayette County
Cattle, tobacco, alfalfa hay,
grass & clover hay, and grain
producer
Term Expires: July 2008

Wayne Mattingly

Daviess County
Agricultural Lender
Term Expires: July 2010

Sam Moore

Butler County
Past President of
Kentucky Farm Bureau
Term Expires: July 2009

GOAP Staff

Keith Rogers

Executive Director

Stacia Alford

Administrative Assistant

Catherine Ball

General Counsel

Angela Blank

Communications Officer

Brian Furnish

Deputy Director

Sandra Gardner

Compliance & Outreach
Specialist/Center for Agricultural
Development & Entrepreneur-
ship

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Coordinator

Nicole Ray

Administrative Assistant
KY Agricultural Finance
Corporation Board Secretary

Kylee Smith

Program Compliance Specialist

Nick Whobrey

Project Analyst

Stephen Yates

Project Analyst

Appendix A: Fiscal Year 2007

AGRICULTURAL DEVELOPMENT FUND

FUNDS	<u>STATE</u>	<u>STATE</u>	<u>COUNTY</u>	<u>TOTAL</u>	<u>COUNTY</u>
	Tobacco Account	General Fund Account			
ADF Beginning Cash - July 2006	21,094,567	16,499,503	0	37,594,070	16,302,342
Transfers In	8,151,793	3,000,000	18,843,176	29,994,969	18,843,176
Revenue					684,564
<i>Sub-total Funds</i>	29,246,360	19,499,503	18,843,176	67,589,039	35,830,082
EXPENDITURES					
Disbursements/Expenditures	1,193,627	14,958,799	0	16,152,426	15,212,765
Transfers Out			18,843,176	18,843,176	
<i>Sub-total</i>	1,193,627	14,958,799	18,843,176	34,995,602	15,212,765
<i>Cash Balances</i>	28,052,733	4,540,704	0	32,593,437	20,617,317
Grants - Unexpended Commitments	5,705,820	4,540,704	0	10,246,524	6,610,828
<i>Grants Balances</i>	22,346,913	0	0		14,006,489

**The General Fund Account represents tobacco funds taken or the fulfillment of the final Phase II tobacco settlement payment but were replaced upon fulfillment of the Tobacco companies' obligation.*

Appendix B: Program Investments

Adair County

Model Program	Amount
Cattle Handling Facilities	\$140,000

Allen County

Model Program	Amount
Cattle Genetics Improvement	\$ 55,000
Cattle Handling Facilities	\$135,000
Hay, Straw, & Commodity Storage	\$ 75,000

Anderson County

Model Program	Amount
Shared-Use Equipment	\$ 5,350

Non-Model Project

<i>Anderson County Farm Bureau</i>	\$136,097
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Anderson County Farm Bureau was approved for \$136,097 in Anderson County funds to administer a menu program for eleven model programs including: Technology, Agricultural Diversification, Timber, Hay, Straw and Commodity Storage, On-Farm Water, Forage Improvement and Utilization, Cattle Genetics, Farm Livestock Fencing, Cattle Handling Facilities, Goat and Sheep Diversification, and Swine Diversification.

<i>Anderson County Farm Bureau</i>	\$142,811
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Anderson County Farm Bureau was approved for \$142,811 in Anderson County funds to administer a menu approach for eleven model programs including: Agricultural Diversification; Dairy Diversification; Farm Livestock Fencing; Hay, Straw & Commodity Storage; On-Farm Water Enhancement; Cattle Handling Facilities; Cattle Genetics; Swine Diversification; Timber Production & Utilization; Goat & Sheep Diversification; and Forage Improvement and Utilization.

Ballard County

Model Program	Amount
Hay, Straw, & Commodity Storage	\$157,740
Commercial Poultry Diversification	\$104,000

Barren

Model Program	Amount
Agricultural Diversification	\$ 27,000
Cattle Genetics Improvement	\$110,000
Dairy Diversification	\$150,000

Forage Improvement & Utilization \$165,000

Bath County

Non-Model Project	Amount
<i>Bath County Cattleman's Association</i>	\$ 52,500

The Bath County Cattleman's Association was approved for \$52,500 in Bath County Funds to administer a menu approach for three model programs including: Cattle Genetic Improvement, Cattle Handling Facilities, and Farm Livestock Fencing.

Bath County Conservation District \$105,000

The Bath County Conservation District was approved for \$105,000 in Bath County funds to administer a menu approach for three model programs including: Hay, Straw, and Commodity Storage, Forage Improvement and Utilization, and Agricultural Diversification.



Boone County

Model Program	Amount
Agricultural Diversification	\$ 50,000
Cattle Genetics Improvement	\$ 30,000
Farm Livestock Fencing	\$112,000
Forage Improvement & Utilization	\$ 20,000

Non-Model Project

<i>Farm Haven</i>	\$50,000
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Farm Haven, LLC was approved for \$50,000 in state funds as part of the 2006 Agri-tourism Competitive Awards Program to construct a sugar shack for maple syrup production.

Bourbon County

Model Program	Amount
Cattle Genetics Improvement	\$ 63,000

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Cattle Handling Facilities	\$ 90,950
Forage Improvement & Utilization	\$ 53,694
Goat & Sheep Diversification	\$ 10,500
Hay, Straw, & Commodity Storage	\$107,000
On-Farm Water Enhancement	\$ 94,500

Boyle County

Model Program	Amount
Agricultural Diversification	\$ 10,300
Dairy Diversification	\$ 4,000
Farm Livestock Fencing	\$103,000
Forage Improvement & Utilization	\$103,000
Goat & Sheep Diversification	\$ 11,636

Bracken County

Model Program	Amount
Agricultural Diversification	\$ 42,000

Non-Model Project

Bracken County Ag Advancement Council \$262,500

The Bracken County Ag Advancement Council was approved for \$262,500 in Bracken County funds to administer a menu program for four model programs including: Cattle Handling Facilities, Technology, Farm Livestock Fencing, and Hay, Straw and Commodity Storage.

Breathitt County

Model Program	Amount
Agricultural Diversification	\$36,750
Cattle Handling Facilities	\$26,300
Farm Livestock Fencing	\$57,750
Forage Improvement & Utilization	\$15,750
Hay, Straw, & Commodity Storage	\$15,750

Breckinridge County

Model Program	Amount
Cattle Genetics Improvement	\$ 65,000
Cattle Handling Facilities	\$100,000
Forage Improvement & Utilization	\$110,000
On-Farm Water Enhancement	\$ 40,000

Bullitt County

Model Program	Amount
Agricultural Diversification	\$ 5,000
Cattle Genetics Improvement	\$20,000
Cattle Handling Facilities	\$20,000
Dairy Diversification	\$ 6,500
Forage Improvement & Utilization	\$25,000
Goat & Sheep Diversification	\$50,000
Hay, Straw, & Commodity Storage	\$30,066
On-Farm Water Enhancement	\$ 6,775
Technology	\$ 5,000

Non-Model Project

Wight-Meyer Vineyard and Winery \$50,000

The Wight-Meyer Vineyard and Winery, LLC was approved for \$50,000 in state funds as part of the Agri-tourism Competitive Grant Program to expand the winery tasting room and to add and event pavilion.

Butler County

Model Program	Amount
Hay, Straw, & Commodity Storage	\$66,417

Caldwell County

Non-Model Project	Amount
<i>Black Oak Vineyard</i>	\$50,000

Black Oak Vineyard was approved for \$50,000 in state funds as part of the Agri-tourism Competitive Awards Program to renovate and expand their wine making facilities.

Calloway County

Model Program	Amount
Technology	\$54,201

Non-Model Project

Jackson Purchase RC&D \$ 7,655

Jackson Purchase Resource Conservation & Development Foundation Inc. was approved for \$7,655 in Calloway County funds to offer a Satellite Broadband Program in Calloway County.

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Campbell County

Non-Model Project **Amount**

Campbell County Conservation District \$33,152

Campbell County Conservation District was approved for \$33,152 in Campbell County funds to administer a menu approach for six model programs including: Cattle Handling Facilities, Cattle Genetics, Agricultural Diversification, Forage Improvement and Utilization, Hay, Straw and Commodity Storage, and Farm Livestock Fencing.

Campbell County Conservation District \$ 8,000

The Campbell County Conservation District was approved for \$8,000 in Campbell County funds to administer the Hay Handling Pilot Program for Campbell County.

Carlisle County

Model Program **Amount**

Hay, Straw, & Commodity Storage \$26,250

Technology \$26,250

Non-Model Project

Carlisle County Fiscal Court \$10,000

Carlisle County Fiscal Court was approved for \$5,000 in Carlisle County funds and \$5,000 in state funds as part of the 2006 Farmers' Market Competitive Awards Program to purchase a portable building for the Farmers' Market.

Carroll County

Non-Model Project **Amount**

Carroll County 4-H Council \$ 500

Carroll County 4-H Council, Inc. was approved for \$500 in Carroll County funds for renovation of the Carroll County Livestock Facility.

Carroll County Agriculture Development Fund, Inc. \$11,279

Carroll County Agriculture Development Fund, Inc. was approved for \$11,279 in Carroll County Funds to administer the Satellite Broadband Program for Carroll County producers.

Carroll County Agriculture Development Fund, Inc. \$113,000

Carroll County Agriculture Development Fund, Inc. was approved for \$113,000 in Carroll County funds to administer a menu approach for six model programs including: Farm Livestock Fencing, Hay, Straw & Commodity Storage, On-Farm Water Enhancement, Cattle Handling Facilities, Cattle Genetics Improvement, and Forage Resource Improvement and Utilization.

Carroll County Agriculture Development Fund, Inc. \$ 20,000

Carroll County Agriculture Development Fund, Inc. was approved for \$20,000 in Carroll County funds to administer a menu approach for four model programs including: Agricultural Diversification, Dairy Diversification, Timber Production & Utilization, and Goat & Sheep Diversification.

Carter County

Model Program **Amount**

Agricultural Diversification \$ 23,858

Cattle Genetics Improvement \$ 28,125

Cattle Handling Facilities \$ 37,873

Farm Livestock Fencing \$ 52,434

Forage Improvement & Utilization \$ 41,013

Goat & Sheep Diversification \$ 3,913

Hay, Straw, & Commodity Storage \$139,205

Casey County

Model Program **Amount**

Forage Improvement & Utilization \$450,000

Non-Model Project

Casey County Farm Bureau \$350,000

Casey County Farm Bureau was approved for \$350,000 in Casey County funds to administer a menu approach for eleven model programs including: Agricultural Diversification; Dairy Diversification; Farm Livestock Fencing; Hay, Straw & Commodity Storage; On-Farm Water Improvement; Cattle Handling Facilities; Cattle Genetics; Swine Diversification; Timber Production & Utilization; Goat & Sheep Diversification; and Technology.

Appendix B

Christian County

Non-Model Project Amount

Christian County Agri-Business Association, Inc. \$300,000

The Christian County Agri-Business Association, Inc. was approved for \$300,000 in Christian County funds to administer a menu approach for eleven model programs including: Agricultural Diversification; Cattle Genetics Improvement; Cattle Handling Facilities; Commercial Poultry; Dairy Diversification; Forage Improvement and Utilization; Goat & Sheep Diversification; Hay, Straw, & Commodity Storage; On-Farm Water Enhancement; Farm Livestock Fencing; and Technology.

Christian County Board of Education \$ 55,000

The Christian County Board of Education was approved for \$55,000 in Christian County funds for the construction and equipment cost of a greenhouse to be located at Christian County High School.

Clark County

Model Program Amount

Cattle Handling Facilities \$ 25,000

Farm Livestock Fencing \$104,000

Forage Improvement & Utilization \$ 14,000

Goat & Sheep Diversification \$ 15,000

Hay, Straw, & Commodity Storage \$104,000

Non-Model Project

Beech Spring Farm Market, LLC \$ 50,000

The Beech Spring Farm Market, LLC was approved for \$50,000 in state funds as part of the 2006 Agri-tourism Competitive Awards Program to purchase a large cooler and install a certified kitchen at their on-farm market.

Clay County

Model Program Amount

Shared-Use Equipment \$2,815

Clinton County

Model Program Amount

Agricultural Diversification \$ 29,000

Non-Model Project

Clinton County Farm Bureau \$125,000

The Clinton County Farm Bureau Inc. was approved for \$125,000 in Clinton County Funds to administer a menu approach for six model programs including: Hay, Straw and Commodity Storage, Cattle Handling Facilities, Farm Livestock Fencing Improvement, Dairy Diversification, Cattle Genetics Improvement and Agricultural Diversification.

Cumberland County

Non-Model Project Amount

City-County Fair Association, Inc. \$30,000

The City-County Fair Association, Inc. was approved for \$15,000 in Cumberland County Agricultural Development Funds and \$15,000 in state funds to finish construction on a permanent marketing facility.

Clinton/Cumberland Cattlemen's Association \$80,000

The Clinton/Cumberland Cattlemen's Association was approved for \$80,000 in Cumberland County funds to administer a menu approach for five model programs including: Forage Improvement and Utilization, Farm Livestock Fencing Improvement, Hay, Straw & Commodity Storage, Cattle Handling Facilities, and Cattle Genetics Improvement.

Cumberland County Board of Education \$60,000

Cumberland County Board of Education was approved for \$60,000 in Cumberland County funds for the construction and equipment cost of a greenhouse to be located at Cumberland County High School.



Appendix B

Daviess County

Model Program	Amount
Agricultural Diversification	\$ 39,510
Cattle Genetics Improvement	\$ 9,164
Commercial Poultry Diversification	\$ 42,000
Hay, Straw, & Commodity Storage	\$142,800
Shared-Use Equipment	\$ 700
Swine Diversification	\$ 5,000

Non-Model Project

Owensboro Biotech Alliance, Inc. \$ 5,000

Owensboro Biotech Alliance, Inc. was approved for \$5,000 in Daviess County funds to continue its work on the promotion of agriculture based biotechnology.

Trunnell's Farm Market \$ 74,553

Trunnell's Farm Market was approved for \$62,240 in state funds, \$1,313 in McLean County funds, and \$11,000 in Daviess County funds to construct a farm retail operation.

Edmonson County

Non-Model Project	Amount
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Edmonson County Conservation District \$49,000

Edmonson County Conservation District was approved for \$49,000 in Edmonson County funds to administer a menu approach for eight model programs including: Agricultural Diversification; Dairy Diversification; Hay, Straw & Commodity Storage; Cattle Handling Facilities; Cattle Genetics Improvement; Goat & Sheep Diversification; Commercial Poultry; and Forage Improvement.

Elliott County

Model Program	Amount
Agricultural Diversification	\$15,000
Cattle Genetics Improvement	\$20,000
Cattle Handling Facilities	\$30,000
Forage Improvement & Utilization	\$28,000
Goat & Sheep Diversification	\$ 9,000
Hay, Straw, & Commodity Storage	\$40,952
On-Farm Water Enhancement	\$25,000

Non-Model Project

Elliott County Fiscal Court \$13,000

The Elliott County Fiscal Court was approved for \$13,000 in Elliott County funds to administer a Pilot Cervid Livestock Farming Program.

Estill County

Model Program	Amount
Forage Improvement & Utilization	\$40,000

Non-Model Project

The Estill County Cattlemen's Association, Inc. \$94,500

The Estill County Cattlemen's Association, Inc. was approved for \$94,500 in Estill County Funds to administer a menu approach for four model programs including: Cattle Genetics Improvement, Farm Livestock Fencing Improvement, Cattle Handling Facilities, and Hay, Straw, and Commodity Storage.

Fayette County

Model Program	Amount
Agricultural Diversification	\$ 75,000
Cattle Genetics Improvement	\$ 30,000
Cattle Handling Facilities	\$ 40,000
Farm Livestock Fencing	\$ 75,000
Forage Improvement & Utilization	\$ 50,000
Hay, Straw, & Commodity Storage	\$ 60,000
On-Farm Water Enhancement	\$171,200
Shared-Use Equipment	\$ 8,636
Technology	\$ 30,000

Non-Model Project

Leuchemix, Inc. \$ 17,973

Leuchemix, Inc. was approved for \$17,973 in state funds to contract with Kentucky farmers to grow feverfew plants for the next phase of the applicant's research and development plan which is the Phase II clinical trials.

Fleming County

Model Program	Amount
Agricultural Diversification	\$15,000

Appendix B

Non-Model Project

Fleming County Board of Education \$18,623

The Fleming County Board of Education was approved for \$18,623 in Fleming County funds to expand and improve the Fleming County High School FFA and Agriculture Livestock Facility.

Floyd County

Model Program	Amount
Shared-Use Equipment	\$ 1,400

Franklin County

Model Program	Amount
Goat & Sheep Diversification	\$10,000

Non-Model Project

Franklin County Fair and Horseshow Association, Inc. \$12,488

The Franklin County Fair and Horseshow Association, Inc. was approved for \$12,488 in Franklin County funds to enhance the state of the art livestock facility currently under construction at Lakeview Park.

Gallatin County

Non-Model Project	Amount
<i>Gallatin County Agricultural Diversification Association, Inc.</i>	\$30,000

The Gallatin County Agricultural Diversification Association, Inc. was approved for \$30,000 in Gallatin County Funds to administer a menu approach for five model programs including: Agricultural Diversification; Dairy Diversification; Timber Production and Utilization; Goat and Sheep Diversification; and Technology.

Gallatin County Livestock Association, Inc. \$15,000

The Gallatin County Livestock Association, Inc. was approved for \$15,000 in Gallatin County funds to administer a satellite broadband program in Gallatin County.

Gallatin County Livestock Association, Inc. \$30,000

The Gallatin County Livestock Association, Inc. was approved for \$30,000 in Gallatin County Funds to administer a menu approach for six model programs including: Hay, Straw, and Commodity Storage; Farm Livestock Fencing; Cattle Handling Facilities; Cattle Genetics Improvement; Forage Improvement and Utilization; and Technology.

Garrard County

Model Program	Amount
Cattle Genetics Improvement	\$25,000
Cattle Handling Facilities	\$70,000
Farm Livestock Fencing	\$42,500
Forage Improvement & Utilization	\$52,500
Hay, Straw, & Commodity Storage	\$42,500

Non-Model Project

Garrard County Farm Bureau \$40,000

Garrard County Farm Bureau was approved for \$40,000 in Garrard County funds to administer a menu approach for six model programs including: Agricultural Diversification; Dairy Diversification; On-Farm Water Enhancement; Swine Diversification; Goat & Sheep Diversification; and Technology.

Grant County

Model Program	Amount
Agricultural Diversification	\$40,000
Cattle Genetics Improvement	\$20,000
Cattle Handling Facilities	\$20,000
Farm Livestock Fencing	\$40,000
Forage Improvement & Utilization	\$20,000
Goat & Sheep Diversification	\$20,000
Hay, Straw, & Commodity Storage	\$40,000

Non-Model Project

Grant County Farm Bureau \$20,000

The Grant County Farm Bureau was approved for \$20,000 in Grant County funds to administer a menu approach for six model programs including: On-Farm Water Enhancement, Dairy Diversification, Swine Diversification, Timber Production & Utilization, Commercial Poultry, and Technology.

Graves County

Model Program	Amount
Hay, Straw, & Commodity Storage	\$67,000

Appendix B

Non-Model Project

Harrison County Beef Cattle Association \$ 75,000

The Harrison County Beef Cattle Association was approved for \$75,000 in Harrison County Funds to administer a Heifer Replacement Program.

Hart County

Model Program	Amount
Farm Livestock Fencing	\$ 50,000
Forage Improvement & Utilization	\$104,834

Non-Model Project

Hart County Cattlemen's Association \$150,000

The Hart County Cattlemen's Association was approved for \$150,000 in Hart County funds to administer a menu approach for three model programs including: Cattle Genetics Improvement; Cattle Handling; and Dairy Diversification.

Roundstone Native Seed \$ 42,000

Roundstone Native Seed was approved for \$42,000 in Hart County funds to purchase specialized seed cleaning and separation equipment as part of an expansion project.

Henderson County

Model Program	Amount
Agricultural Diversification	\$22,297
Cattle Genetics Improvement	\$ 6,304
Cattle Handling Facilities	\$12,238

Henry County

Non-Model Project	Amount
<i>Henry County Cattlemen's Association, Inc.</i>	\$294,000

The Henry County Cattlemen's Association, Inc. was approved for \$294,000 in Henry County funds to administer a menu approach for ten model programs including: Forage Resource Improvement and Utilization, Cattle Genetics, Cattle Handling Facilities, Farm Livestock Fencing, Hay, Straw & Commodity Storage, Technology, Goat & Sheep Diversification, Dairy Diversification, Timber Production & Utilization, and Agricultural Diversification.

Hickman County

Non-Model Project	Amount
<i>Jackson Purchase Resource Conservation & Development Foundation, Inc.</i>	\$15,040

Jackson Purchase Resource Conservation & Development Foundation Inc. was approved for \$7,520 in Hickman County funds and \$7,520 in state funds for the creation of a permanent Farmers' Market in Hickman County as part of the 2006 Farmers' Market Competitive Awards Program.

Jackson County

Non-Model Project	Amount
<i>Appalachian Alternative Agriculture in Jackson</i>	\$277,173

Appalachian Alternative Agriculture was approved for a total of \$277,173 from the following: \$154,700 in Jackson County funds; \$25,000 in Clay County funds; and \$97,473 in state funds. These funds will be used to construct a food processing center, a docking station for the mobile processing unit, and a farmers' market pavilion

Appalachian Alternative Agriculture in Jackson \$ 75,000

Appalachian Alternative Agriculture was approved for \$75,000 in Jackson County funds to administer a menu approach for five model programs including: Dairy Diversification; Swine Diversification; Agricultural Diversification; Goat & Sheep Diversification; and Timber Production, Utilization, and Marketing.

Jackson County Cattlemen's Association, Inc. \$100,000

The Jackson County Cattlemen's Association, Inc. was approved for \$100,000 in Jackson County funds to administer a Heifer Replacement Program.

Jefferson County

Non-Model Project	Amount
<i>Metro Development Authority</i>	\$75,000

The Metro Development Authority was approved for \$75,000 in state funds as part of the 2006 Farmers' Market Competitive Awards Program to conduct a feasibility study and business plan for a state of the art agricultural goods and marketing facility in downtown Louisville

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Jessamine County

Model Program	Amount
Agricultural Diversification	\$19,700
Cattle Handling Facilities	\$50,000
Forage Improvement & Utilization	\$64,000
Goat & Sheep Diversification	\$27,000

Non-Model Project

Jessamine County FFA Alumni Association, Inc. \$ 5,000

Jessamine County FFA Alumni Association, Inc. was approved for \$5,000 in Jessamine County Funds to cost share on 4H/FFA projects.

Jessamine County FFA Alumni Association, Inc. \$41,000

The Jessamine County FFA Alumni Association, Inc. was approved for \$41,000 in Jessamine County Funds for the construction costs of a greenhouse to be located at East Jessamine High School.

Johnson County

Model Program	Amount
Agricultural Diversification	\$15,000
Cattle Handling Facilities	\$20,000

Kenton County

Model Program	Amount
Agricultural Diversification	\$14,264

Knox County

Model Program	Amount
Agricultural Diversification	\$14,665
Cattle Handling Facilities	\$45,000
Forage Improvement & Utilization	\$12,000

Larue County

Model Program	Amount
Agricultural Diversification	\$ 20,000
Forage Improvement & Utilization	\$ 48,300
Goat & Sheep Diversification	\$ 8,308
Hay, Straw, & Commodity Storage	\$135,000
Technology	\$ 75,500

Laurel County

Model Program	Amount
Agricultural Diversification	\$ 5,000
Cattle Handling Facilities	\$30,000
Farm Livestock Fencing	\$27,500
Goat & Sheep Diversification	\$13,000
Hay, Straw, & Commodity Storage	\$40,000

Lawrence County

Model Program	Amount
Cattle Genetics Improvement	\$20,600
Goat & Sheep Diversification	\$20,675

Non-Model Project

Lawrence County Farm Bureau \$ 4,286

The Lawrence County Farm Bureau was approved for \$4,286 in Lawrence County funds to purchase marketing materials as well as certified scales and tables for the vendors of the Lawrence County Farmers' Market to utilize.

Lee County

Model Program	Amount
Hay, Straw, & Commodity Storage	\$210,000
Shared-Use Equipment	\$ 16,195

Lewis County

Model Program	Amount
Agricultural Diversification	\$ 35,636
Cattle Genetics Improvement	\$ 38,423
Farm Livestock Fencing	\$185,744
Hay, Straw, & Commodity Storage	\$142,000
Timber Production	\$ 30,000

Non-Model Project

Lewis County Conservation District \$ 50,000

The Lewis County Conservation District was approved for \$50,000 in Lewis County funds to administer a Hay Handling Project to allow producers the ability to obtain handling equipment for hay, straw, and grain.

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Tollesboro Lions Club, Inc. \$12,500

The Tollesboro Lions Club, Inc. was approved for \$12,500 in Lewis County funds for additions to the Dairy Barn and Fair Pavilion.

Lincoln County

Model Program	Amount
Cattle Genetics Improvement	\$25,000
Cattle Handling Facilities	\$25,000
Dairy Diversification	\$25,000
Forage Improvement & Utilization	\$25,000
Goat & Sheep Diversification	\$28,000
Hay, Straw, & Commodity Storage	\$90,000

Non-Model Project

Lincoln County Farm Bureau \$20,000

The Lincoln County Farm Bureau was approved for \$20,000 in Lincoln County funds to administer a program that will assist Lincoln County youth in the purchasing of reproductive female stock for cattle, sheep, and goats.

Logan County

Model Program	Amount
Agricultural Diversification	\$ 35,000
Cattle Genetics Improvement	\$ 35,000
Cattle Handling Facilities	\$ 30,000
Dairy Diversification	\$ 30,000
Hay, Straw, & Commodity Storage	\$100,000
Technology	\$ 10,000

Non-Model Project

Logan County Agricultural Extension Foundation, Inc. \$ 14,656

The Logan County Agricultural Extension Foundation, Inc. was approved for \$14,656 in Logan County funds to purchase equipment to support a Livestock Marketing Initiative that will utilize the Logan County Farmers' Market facility that was recently constructed with the assistance of Agricultural Development Funds.

Logan County Agricultural Extension Foundation, Inc. \$ 40,000

The Logan County Agricultural Extension Foundation, Inc. was approved for \$20,000

in Logan County Funds and \$20,000 in state funds as part of the Farmers' Market Competitive Awards Program to complete the Logan County Farmers' Market.

Logan County Agricultural Extension Foundation \$20,000

The Logan County Agricultural Extension Foundation, Inc. was approved for \$10,000 in state funds and \$10,000 in Logan County funds as part of the Farmers' Market Competitive Awards Program to provide an extension to the existing farmers' market.



Logan County Cattlemen's Association \$40,289

The Logan County Cattlemen's Association, Inc. was approved for \$40,289 in Logan County funds to administer a menu program for three model programs including: Cattle Handling Facilities, Forage Improvement and Utilization, and Farm Livestock Fencing.

Lyon County

Model Program	Amount
Hay, Straw, & Commodity Storage	\$ 5,000

Non-Model Project

Caldwell-Lyon Cattlemen's Association, Inc. \$10,000

Caldwell-Lyon Cattlemen's Association, Inc. was approved for \$10,000 in Lyon County funds to offer a Heifer Replacement Program.

Madison County

Model Program	Amount
Cattle Genetics Improvement	\$ 37,000
Farm Livestock Fencing	\$ 77,100
Forage Improvement & Utilization	\$117,550
Hay, Straw, & Commodity Storage	\$162,900

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Magoffin County

Model Program	Amount
Agricultural Diversification	\$36,100

Non-Model Project

Magoffin County Cattle Association \$36,558

Magoffin County Cattle Association, Inc. was approved for \$36,558 in Magoffin County funds to administer a menu program for three model programs including: Cattle Handling Facilities, Cattle Genetics Improvement, and the Swine Diversification.

Magoffin County Conservation District \$73,116

The Magoffin County Conservation District was approved for \$73,116 in Magoffin County funds to administer a menu program for two model programs including: Farm Livestock Fencing Improvement, and Forage Improvement and Utilization.

Marion County

Model Program	Amount
Agricultural Diversification	\$ 20,000
Cattle Handling Facilities	\$ 72,719
Dairy Diversification	\$ 10,000
Forage Improvement & Utilization	\$ 50,000
Goat & Sheep Diversification	\$ 16,477
Hay, Straw, & Commodity Storage	\$292,000

Mason County

Non-Model Project	Amount
<i>Buffalo Trace Area Development District</i>	\$150,000

Buffalo Trace Area Development District was approved for \$150,000 in Mason County funds to administer a menu approach for five model programs including: Farm Livestock Fencing; Cattle Handling Facilities; Cattle Genetics Improvement; Dairy Diversification; and Agricultural Diversification.

Buffalo Trace Area Development District \$118,000

Buffalo Trace Area Development District was approved for \$118,000 in Mason County funds to administer a menu approach for three model programs including: Hay, Straw and Commodity Storage; On-Farm Water; and Forage Improvement and Utilization.

McCracken County

Model Program	Amount
Hay, Straw, & Commodity Storage	\$50,967

McLean County

Model Program	Amount
Commercial Poultry Diversification	\$41,154
Hay, Straw, & Commodity Storage	\$28,896
Technology	\$16,199

Non-Model Project

McLean County Fiscal Court \$ 9,700

The McLean County Fiscal Court was approved for \$9,700 in McLean County funds to help with the installation of lights and perimeter fencing in the animal pavilion which is part of the McLean County 4-H Activities Center.

Meade County

Model Program	Amount
Cattle Genetics Improvement	\$13,700
Cattle Handling Facilities	\$ 9,100
Farm Livestock Fencing	\$18,600
Goat & Sheep Diversification	\$ 5,300
Hay, Straw, & Commodity Storage	\$13,500
Technology	\$16,500

Non-Model Project

Kentucky Minority Farmers \$ 1,850

Kentucky Minority Farmers was approved for \$1,850 in Meade County funds to purchase a livestock trailer.

Menifee County

Non-Model Project	Amount
<i>Menifee County Beef Producers</i>	\$ 6,500

Menifee County Beef Producers was approved for \$6,500 in Menifee County funds to assist in the construction of a facility to store the county's shared-use equipment.

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Menifee County Beef Producers \$63,000

Menifee County Beef Producers was approved for \$63,000 in Menifee County funds to offer a menu approach for four model programs that includes: Farm Livestock Fencing Improvement, Hay Straw and Commodity Storage, Cattle Genetics Improvement, and Cattle Handling Facilities.

Menifee County Conservation District \$60,000

Menifee County Conservation District was approved for \$60,000 in Menifee County funds to offer a menu approach for five model programs including: Forage Improvement and Utilization, Goat and Sheep Diversification, Agricultural Diversification, Timber Production Utilization and Marketing, and On-Farm Water Enhancement.

Mercer County

Model Program	Amount
Agricultural Diversification	\$25,000
Cattle Genetics Improvement	\$15,000
Cattle Handling Facilities	\$55,000
Dairy Diversification	\$20,000
Farm Livestock Fencing	\$80,000
Forage Improvement & Utilization	\$26,609
Goat & Sheep Diversification	\$45,000
Hay, Straw, & Commodity Storage	\$45,000

Non-Model Project

Burgin Independent FFA Chapter \$ 5,000

The Burgin Independent FFA Chapter was approved for \$5,000 in Mercer County Funds to remodel the existing greenhouse, and to purchase equipment needed for a productive working greenhouse facility.

Mercer County Fair & Horse Show \$29,250

Mercer County Fair & Horse Show was approved for \$29,250 in Mercer County funds for the construction of a facility for Mercer County farmers to use in the promotion, marketing, and sales of their livestock.

Metcalfe County

Model Program	Amount
Agricultural Diversification	\$28,250
Cattle Genetics Improvement	\$13,750
Cattle Handling Facilities	\$15,000
Forage Improvement & Utilization	\$75,000
On-Farm Water Enhancement	\$25,000

Monroe County

Model Program	Amount
Goat & Sheep Diversification	\$ 10,000

Non-Model Project

Monroe County Conservation District \$190,788

The Monroe County Conservation District was approved for \$190,788 in Monroe County funds to administer a menu approach for seven model programs including: Dairy Diversification; Farm Livestock Fencing; Hay, Straw & Commodity Storage; On-Farm Water Enhancement; Cattle Handling Facilities; Cattle Genetics Improvement; and Forage Improvement.

Montgomery County

Model Program	Amount
Agricultural Diversification	\$ 44,655
Farm Livestock Fencing	\$ 30,422
Forage Improvement & Utilization	\$ 44,470

Non-Model Project

Montgomery County Cattlemen's Association \$124,344

Montgomery County Cattlemen's Association was approved for \$124,344 in Montgomery County funds to offer a menu approach for three model programs including: Hay Straw and Commodity Storage, Cattle Genetics Improvement, and Cattle Handling Facilities Program.

Montgomery County Farm Bureau \$ 19,000

Montgomery County Farm Bureau was approved for \$19,000 in Montgomery County funds to offer a Hay Handling Cost-share Program in Montgomery County.

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Montgomery County Farmers' Market \$ 9,870

Montgomery County Farmers' Market was approved for \$9,870 to administer a Satellite Broadband Program in Montgomery County.

Morgan County

Non-Model Project **Amount**

Morgan County Fiscal Court \$ 31,615

The Morgan County Fiscal Court was approved for \$31,615 in Morgan County funds to administer a Satellite Broadband Program in Morgan County.

Morgan County Fiscal Court \$250,000

The Morgan County Fiscal Court was approved for \$250,000 in Morgan County funds to administer a menu approach for five model programs including: Agricultural Diversification; Cattle Handling Facilities; Farm Livestock Fencing Improvement; Forage Improvement and Utilization; and Hay, Straw & Commodity Storage.

Muhlenberg County

Non-Model Project **Amount**

Muhlenberg County Farmers Market Association, Inc. \$63,628

Muhlenberg County Farmers' Market Association, Inc was approved for \$63,628 in Muhlenberg County funds to administer an On-Farm Drainage Enhancement Program which will provide cost-share assistance to producers who are installing tile drainage systems on their land.

Nelson County

Model Program **Amount**

Cattle Genetics Improvement \$40,000

Swine Diversification \$15,000

Nicholas County

Model Program **Amount**

Agricultural Diversification \$ 39,495

Cattle Genetics Improvement \$ 21,029

Cattle Handling Facilities \$ 53,991

Farm Livestock Fencing \$114,066

Forage Improvement & Utilization \$ 48,623

Hay, Straw, & Commodity Storage \$ 43,169

On-Farm Water Enhancement \$ 10,209

Ohio County

Model Program **Amount**

Commercial Poultry Diversification \$77,658

Owen County

Model Program **Amount**

Agricultural Diversification \$50,000

Cattle Genetics Improvement \$42,400

Farm Livestock Fencing \$79,500

Shared-Use Equipment \$32,250

Non-Model Project

Mimi's Kitchen, LLC \$41,000

Mimi's Kitchen, LLC was approved for \$41,000 in Owen County Funds to open a certified kitchen in Owen County that will provide producers a way for local farmers to earn extra income from products they produce.

Owen County Farm Bureau \$20,000

The Owen County Farm Bureau was approved for \$20,000 in Owen County funds to administer a Hay Handling project for the producers in Owen County.

Owsley County

Model Program **Amount**

Agricultural Diversification \$105,000

Cattle Handling Facilities \$ 52,500

Pendleton County

Non-Model Project **Amount**

Pendleton County Agricultural Diversification Association \$235,893

The Pendleton County Agricultural Diversification Association was approved for \$235,893 in Pendleton County Funds to administer a menu approach for eleven model programs including: Hay, Straw and Commodity Storage; Cattle Genetics Improvement; Farm Livestock Fencing; Cattle Handling Facilities; Forage Improvement; Dairy Diversification; Goat and Sheep Diversification; Timber Production; Agricultural Diversification; Technology; and Swine Diversification.

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Perry County

Non-Model Project	Amount
<i>Mountain Cattlemen's Association</i>	\$4,394

The Mountain Cattlemen's Association was approved for \$2,197 in Perry County funds and \$2,197 in state funds as part of the 2007 Farmers' Market Competitive Awards Program for market promotion.

Pulaski County

Non-Model Project	Amount
<i>Pulaski County Cattlemen's Association</i>	\$150,000

Pulaski County Cattlemen's Association was approved for \$150,000 in Pulaski County funds to offer a menu approach for two model programs including: Cattle Handling Facilities and Cattle Genetics Improvement.

<i>Pulaski County Conservation District</i>	\$135,000
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Pulaski County Conservation District was approved for \$135,000 in Pulaski County funds to offer a menu approach for two model programs including: Forage Improvement and Utilization and Hay, Straw and Commodity Storage.

<i>Pulaski County Horticulture Association</i>	\$ 65,000
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Pulaski County Horticulture Association was approved for \$65,000 in Pulaski County funds to offer a menu approach for two model programs including: Goat and Sheep Diversification and Agricultural Diversification.

Robertson County

Model Program	Amount
Agricultural Diversification	\$ 43,000
Cattle Genetics Improvement	\$ 11,301
Cattle Handling Facilities	\$ 50,000
Dairy Diversification	\$ 19,000
Forage Improvement & Utilization	\$120,000
Hay, Straw, & Commodity Storage	\$100,000
On-Farm Water Enhancement	\$ 30,000

Non-Model Project

<i>Buffalo Trace Area Development District</i>	\$80,000
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The Buffalo Trace Area Development District was approved for \$80,000 in Robertson County funds to administer a Hay Handling Project. This will allow producers to improve the capacity, profit, and handling of hay and straw through more efficient handling equipment.

Rockcastle County

Non-Model Project	Amount
<i>Rockcastle County Goat Producers Association</i>	\$10,000

The Rockcastle County Goat Producers Association was approved for \$10,000 in Rockcastle County funds to administer a menu approach for two model programs including the Goat and Sheep Diversification Program and the Farm Livestock Fencing Improvement Program.



Rowan County

Model Program	Amount
Agricultural Diversification	\$ 9,000
Cattle Genetics Improvement	\$11,700
Cattle Handling Facilities	\$ 3,184
Forage Improvement & Utilization	\$30,000
Hay, Straw, & Commodity Storage	\$ 9,674

Non-Model Project

<i>Rowan County Fiscal Court</i>	\$ 9,239
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Rowan County Fiscal Court was approved for \$9,239 in Rowan County Funds to administer a Heifer Replacement Program in Rowan County.

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Russell County

Model Program	Amount
Agricultural Diversification	\$ 20,000
Technology	\$ 12,120

Non-Model Project

<i>Russell County Cattleman's Association</i>	\$ 20,800
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The Russell County Cattleman's Association, Inc. was approved for \$20,800 in Russell County funds to administer a youth heifer chain.

<i>Russell County Cattlemen's Association</i>	\$125,000
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The Russell County Cattlemen's Association was approved for \$125,000 in Russell County funds to administer a menu approach for three model programs including: Dairy Diversification; Hay, Straw & Commodity Storage; and Cattle Genetics Improvement.

Scott County

Non-Model Project	Amount
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<i>Scott County Beef Improvement Association</i>	\$232,507
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The Scott County Beef Improvement Association, Inc. was approved for \$232,507 in Scott County funds to administer a menu approach for eight model programs including: Cattle Handling, Cattle Genetics Improvement, Forage Improvement & Utilization, Agricultural Diversification, Technology, Goat & Sheep Diversification, On-Farm Water Enhancement and Hay, Straw & Commodity Storage.

Shelby County

Model Program	Amount
Agricultural Diversification	\$ 50,000

Non-Model Project

<i>Shelby County Cattlemen's Association</i>	\$200,000
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The Shelby County Cattlemen's Association was approved for \$200,000 in Shelby County Funds to administer a menu approach for five model programs including: Goat and Sheep Diversification; Forage Improvement and Utilization; Cattle Genetics Improvement; Dairy Diversification; and Cattle Handling Facilities.

<i>Shelby County Farm Bureau</i>	\$300,000
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The Shelby County Farm Bureau was approved for \$300,000 in Shelby County Funds to administer a menu approach for three model programs including: Farm Livestock Fencing; Hay, Straw and Commodity Storage; and Technology.

Simpson County

Model Program	Amount
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Agricultural Diversification	\$ 46,742
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Forage Improvement & Utilization	\$105,000
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Non-Model Project

<i>Kentucky Specialty Grains, LLC</i>	\$631,510
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Kentucky Special Grains, LLC was approved for \$500,000 in state funds and \$131,510 in county funds from the following counties to purchase equipment and construct a soybean processing facility in Simpson County: Simpson \$89,510; Warren \$5,000; Barren \$20,000; McLean \$1,000; Logan \$5,000; Allen \$1,000; and Ohio \$10,000.

Spencer County

Model Program	Amount
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Agricultural Diversification	\$42,000
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Cattle Handling Facilities	\$48,300
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Dairy Diversification	\$13,600
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Farm Livestock Fencing	\$73,500
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Forage Improvement & Utilization	\$75,000
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Goat & Sheep Diversification	\$10,000
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Hay, Straw, & Commodity Storage	\$89,250
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Swine Diversification	\$ 5,500
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Non-Model Project

<i>Spencer County Farm Bureau</i>	\$10,500
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The Spencer County Farm Bureau, Inc. was approved for \$10,500 in Spencer County funds to administer a Satellite Broadband Program in Spencer County.

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Taylor County

Model Program	Amount
Cattle Handling Facilities	\$120,750
Goat & Sheep Diversification	\$ 4,583
Hay, Straw, & Commodity Storage	\$ 72,000
Technology	\$ 10,000

Todd County

Model Program	Amount
Agricultural Diversification	\$ 16,650
Farm Livestock Fencing	\$ 76,100
Hay, Straw, & Commodity Storage	\$102,650

Non-Model Project

Todd County Conservation District \$ 81,500

The Todd County Conservation District was approved for \$81,500 in Todd County funds to administer an On-Farm Drainage Enhancement Program.

Trigg County

Non-Model Project	Amount
<i>B & R Drennan Enterprises</i>	\$412,500

B & R Drennan Enterprises, Inc. was approved for \$400,000 in state funds, \$7,500 in Trigg County funds, and \$5,000 in Lyon County funds to build a new facility and to upgrade their equipment to meet their need for future growth.

Trimble County

Non-Model Project	Amount
<i>Trimble County Cattlemen's Association</i>	\$185,000

The Trimble County Cattlemen's Association, Inc. was approved for \$185,000 in Trimble County funds to administer a menu approach for ten model programs including: Agricultural Diversification, Cattle Handling Facilities, Cattle Genetics Improvement, Dairy Diversification, Fencing Improvement, Forage Improvement & Utilization, Goat & Sheep Diversification, Hay, Straw & Commodity Storage, Swine Diversification and Timber Production & Utilization.

Union County

Non-Model Project	Amount
<i>Union County Beef Cattle Association</i>	\$2,248

Union County Beef Cattle Association, Inc. was approved for \$2,248 in Union County funds to purchase additional corral panels to be used as part of the annual Union County Bull and Heifer Sale held at the John A. Arnold Convention Center in Sturgis, Kentucky.

Warren County

Model Program	Amount
Agricultural Diversification	\$10,000
Cattle Genetics Improvement	\$30,000
Cattle Handling Facilities	\$29,649
Forage Improvement & Utilization	\$60,000
Goat & Sheep Diversification	\$15,000
Hay, Straw, & Commodity Storage	\$80,000

Washington County

Model Program	Amount
Agricultural Diversification	\$ 10,500
Forage Improvement & Utilization	\$ 23,352

Non-Model Project

Washington County Cattlemen Association \$375,000

The Washington County Cattlemen Association, Inc. was approved for \$375,000 in Washington County funds to continue to offer a project that includes funding for six model programs, mandatory record keeping and participation in a CPH45 sale.

Wayne County

Non-Model Project	Amount
<i>Wayne County Agriculture Development Council</i>	\$150,000

Wayne County Agriculture Development Council was approved for \$150,000 in Wayne County funds to administer a menu approach for ten model programs including: Agricultural Diversification; Dairy Diversification; Farm Livestock Fencing; Hay, Straw & Commodity Storage; Cattle Handling Facilities; Cattle Genetics Improvement; Swine Diversification; Goat & Sheep Diversification; Technology; and Forage Improvement.

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Webster County

Model Program **Amount**

Cattle Genetics Improvement \$12,957

Non-Model Project

Green River Area Development District \$12,957

Green River Area Development District, Inc. was approved for \$12,957 in Webster County funds for two model programs including: Hay, Straw & Commodity Storage and the Technology.

Whitley County

Model Program **Amount**

Agricultural Diversification \$ 16,000

Shared-Use Equipment \$ 13,450

Wolfe County

Non-Model Project **Amount**

Wolfe County Conservation District \$141,863

The Wolfe County Conservation District was approved for \$141,863 in Wolfe County funds to administer a menu approach for the Hay, Straw, and Commodity Storage Program and the Cattle Handling Facilities.

Woodford County

Non-Model Project **Amount**

Wildside Vines, LLC \$40,000

The Wildside Vines, LLC was approved for \$40,000 in state funds as part of the Agritourism Competitive Grant Program to expand their winery facility.

Woodford County Agriculture Advancement Council \$50,000

The Woodford County Agriculture Advancement Council was approved for \$50,000 in Woodford County funds to administer a menu approach for two model programs including: Agricultural Diversification and Farm Livestock Fencing.

Woodford County Agriculture Advancement Council \$50,000

The Woodford County Agriculture Advancement Council was approved for \$50,000 in Woodford County funds to administer a menu approach for three model programs including: Cattle Handling Facilities, Cattle Genetics Im-

provement, and Forage Improvement & Utilization.

Woodford County Agriculture Advancement Council \$50,000

The Woodford County Agriculture Advancement Council was approved for \$50,000 in Woodford County funds to administer a menu approach for two model programs including: Hay, Straw, & Commodity Storage and Technology.

Woodford County Agriculture Advancement Council \$50,000

The Woodford County Agriculture Advancement Council was approved for \$50,000 in Woodford County funds to administer a menu approach for two model programs including: On-Farm Water Enhancement & Utilization and Goat & Sheep Diversification.

State Funded Investments

Non-Model Project **Amount**

Allied Food Marketers West, Inc. \$1,900,000

Allied Food Marketers West, Inc. was approved for \$1,900,000 in state funds to continue their marketing and business development model for Kentucky producers with an additional focus on natural and organic producers.

Central Kentucky Growers Association, Inc. \$ 120,000

Central Kentucky Growers Association, Inc. was approved for a maximum of \$120,000 in state funds to restructure their operating loans.

Kentucky Agriculture Council \$ 25,000

The Kentucky Agriculture Council was approved for \$25,000 in state funds to support the Task Force in developing the "Strategic Plan of Action for Agriculture."

Kentucky Corn Growers Association, Inc. \$ 35,483

The Kentucky Corn Growers Association, Inc. was approved for \$35,483 in state funds to assist in the funding of a coordinator to oversee and coordinate a new in-depth educational program.

Appendix B

Kentucky Dairy Development Council, Inc. \$2,068,170

The Kentucky Dairy Development Council, Inc. was approved for \$2,068,170 in state funds to provide technical assistance and financial incentives to Kentucky dairy farmers. This program will address the deficiency in Kentucky's milk production by improving efficiencies and increasing production per cow.

Kentucky Dairy Development Council \$ 49,000

The Kentucky Dairy Development Council was approved for \$49,000 as a grant from the Kentucky Center for Agricultural Development and Entrepreneurship funds to contract for a comprehensive market study of Kentucky's dairy industry.

Kentucky Department of Agriculture \$3,307,900

The Kentucky Department of Agriculture was approved for \$3,307,900 in state funds to continue the marketing initiatives which are currently promoting the Kentucky Proud Program.

Kentucky Forage and Grassland Council \$ 650,000

The Kentucky Forage and Grassland Council was approved for \$650,000 in state funds to contract with the University of Kentucky, College of Agriculture, Plant and Soil Sciences to conduct a biomass and hay production applied research and demonstration project.

Kentucky Goat Producers Association \$ 154,748

The Kentucky Goat Producers Association was approved for \$154,748 in state funds for goat and forage research in Kentucky.

Kentucky Grape and Wine Council \$ 290,000

The Kentucky Grape and Wine Council was approved for \$290,000 in state funds to continue funding for the state viticulturist, enologist, and a technical support person for one year.



KENTUCKY
WINE

Kentucky Horticulture Council \$2,484,700

The Kentucky Horticulture Council was approved for \$2,484,700 in state funds to continue to support the growth of horticulture on family farms through on-farm demonstrations and assistance, product and production system development, market development and market sustainability.

Kentucky Poultry Federation \$825,716

The Kentucky Poultry Federation was approved for \$825,716 in state funds for State-wide Educational Programming and a Poultry House Evaluation Project.

Kentucky Poultry Federation \$102,000

The Kentucky Poultry Federation was approved for \$102,000 in state funds to match private funds already raised to establish an indemnification program large enough to provide assistance to non-commercial poultry farmers in the event of an avian disease outbreak.

Kentucky Sheep and Wool Producers \$184,000

The Kentucky Sheep and Wool Producers, Inc. was approved for \$184,000 in state funds to establish the Kentucky Sheep and Goat Development Office.

Southern & Eastern Kentucky Tourism Development \$ 50,000

The Southern & Eastern Kentucky Tourism Development was approved for \$50,000 in state funds as part of the Agri-tourism Competitive Awards Program to promote Agri-tourism ventures in their region.

University of Kentucky \$146,360

The University of Kentucky was approved for \$146,360 in state funds to continue the funding for the Kentucky Agricultural Leadership Program for twenty agriculturalists.

University of Kentucky Research Foundation \$ 6,500

The University of Kentucky Research Foundation was approved for \$6,500 in state funds to offer a pilot risk management program for Kentucky farm women.

University of Kentucky Research Foundation \$883,545

The University of Kentucky Research Foundation was approved for \$883,545 in state funds to fund the Kentucky Entrepreneurial Coaches Institute for two eighteen-month classes.

Appendix C: Investments By Category

Capital Access

A2006-0427	Central Kentucky Growers Association	Scott	\$120,000
A2007-0056	Kentucky Forage and Grassland Council	Fayette	<u>\$650,000</u>
			\$770,000

Education: Adult

A2006-0484	University of Kentucky Research Foundation	Fayette	\$6,500
A2007-0091	Kentucky Corn Growers Association	Jefferson	<u>\$35,483</u>
			\$41,983

Education: Leadership

A2006-0202	University of Kentucky	Fayette	\$146,360
A2007-0026	University of Kentucky Research Foundation	Fayette	<u>\$883,545</u>
			\$1,029,905

Education: Youth Development

A2006-0434	Jessamine County FFA Alumni Association	Jessamine	\$5,000
A2006-0489	Burgin Independent FFA Chapter	Mercer	\$5,000
A2006-0494	Jessamine County FFA Alumni Association	Jessamine	<u>\$41,000</u>
			\$51,000

Marketing: Agri-tourism

A2006-0353	Bennett's Mill Farm, LLC	Greenup	\$50,000
A2006-0361	Black Oak Vineyard	Caldwell	\$50,000
A2006-0362	Southern & Eastern Kentucky Tourism	Pulaski	\$50,000
A2006-0370	Farm Haven, LLC	Boone	\$50,000
A2006-0372	Beech Spring Farm	Clark	\$50,000
A2006-0373	Wildside Vines, LLC	Woodford	\$40,000
A2006-0374	Wight-Meyer Vineyard & Winery, LLC	Bullitt	<u>\$50,000</u>
			\$340,000

Marketing: Farmers' Market

A2006-0289	Logan County Agricultural Extension Foundation	Logan	\$40,000
A2006-0401	Jackson Purchase RC&D	Hickman	\$15,040
A2006-0402	Metro Development Authority	Jefferson	\$75,000
A2006-0406	Carlisle County Fiscal Court	Carlisle	\$10,000
A2006-0408	City-County Fair Association, Inc.	Cumberland	\$30,000
A2006-0410	Hancock County Fiscal Court	Hancock	\$27,280
A2006-0483	Lawrence County Farm Bureau, Inc	Lawrence	\$4,286
A2007-0006	Appalachian Alternative Agriculture	Jackson	\$287,173
A2007-0070	Mountain Cattlemen's Association	Perry	\$4,394
A2007-0079	Logan County Agricultural Extension Foundation	Logan	<u>\$26,962</u>
			\$520,135

Marketing: Livestock/Equine

A2006-0199	Franklin County Fair and Horseshow Association	Franklin	\$12,488
A2006-0287	Tollesboro Lions Club, Inc.	Lewis	\$12,500
A2006-0290	Logan County Agricultural Extension Foundation	Logan	\$14,656
A2006-0424	Mercer County Fair & Horse Show, Inc.	Mercer	\$29,250
A2006-0468	Union County Beef Cattle Association, Inc.	Union	\$2,248
A2007-0053	McLean County Fiscal Court	McLean	<u>\$9,700</u>
			\$80,842

Appendix C

Marketing: Other

A2006-0198	Green County Cattlemen's Association, Inc.	Green	\$260,000
A2006-0293	Kentucky Department of Agriculture	Franklin	\$3,307,900
A2006-0412	Allied Food Marketers West, Inc.	Jefferson	\$1,900,000
A2006-0417	Owensboro Biotech Alliance, Inc.	Daviess	\$5,000
A2007-0098	Trunnell's Farm Market, Inc.	Daviess	<u>\$74,553</u>
			\$5,547,453

Production: Beef

A2006-0480	Pulaski County Cattlemen's Association	Pulaski	\$130,000
A2006-0486	Jackson County Cattlemen's Association	Jackson	\$100,000
A2007-0035	Lincoln County Farm Bureau	Lincoln	\$20,000
A2007-0051	Gallatin County Livestock Association	Gallatin	\$90,000
A2007-0057	Washington County Cattlemen Association	Washington	\$375,000
A2007-0137	Woodford County Ag Advancement Council	Woodford	\$50,000
A2007-0155	Hardin County Extension District Board	Hardin	\$10,000
A2007-0182	Wayne County Agriculture Development Council	Wayne	\$150,000
A2007-0203	Morgan County Fiscal Court	Morgan	<u>\$250,000</u>
			\$1,175,000

Production: Cattle

A2006-0305	Logan County Cattlemen's Association, Inc.	Logan	\$40,829
A2006-0400	Wolfe County Conservation District	Wolfe	\$141,863
A2006-0456	Estill County Cattlemen's Association, Inc.	Estill	\$94,500
A2006-0467	Montgomery County Cattlemen's Association	Montgomery	\$124,344
A2006-0472	Menifee County Beef Producers, Inc.	Menifee	\$111,745
A2006-0498	Rowan County Fiscal Court	Rowan	\$9,239
A2007-0007	Harrison County Beef Cattle Association	Harrison	\$75,000
A2007-0020	Shelby County Farm Bureau	Shelby	\$300,000
A2007-0021	Shelby County Cattleman's Association	Shelby	\$200,000
A2007-0034	Bath County Cattleman's Association	Bath	\$207,500
A2007-0039	Russell County Cattleman's Association, Inc.	Russell	\$25,800
A2007-0058	Henry County Cattleman's Association, Inc.	Henry	\$343,548
A2007-0062	Trimble County Cattleman's Association, Inc.	Trimble	\$218,967
A2007-0092	Woodford County Ag Advancement Council	Woodford	\$50,000
A2007-0096	Carroll County Agriculture Development Fund	Carroll	\$156,270
A2007-0138	Woodford County Ag Advancement Council	Woodford	\$50,000
A2007-0140	Clinton/Cumberland Cattlemen's Assoc., Inc.	Cumberland	\$128,000
A2007-0153	Scott County Beef Improvement Association	Scott	\$232,507
A2007-0247	Casey County Farm Bureau	Casey	<u>\$350,000</u>
			\$2,860,112

Production: Dairy

A2007-0181	Russell County Dairy Advancement Council	Russell	<u>\$125,000</u>
			\$125,000

Appendix C

Production: Forage/Grain

A2006-0164	Buffalo Trace Area Development District	Robertson	\$48,715
A2006-0297	Lewis County Conservation District	Lewis	\$104,431
A2006-0309	Campbell County Conservation District	Campbell	\$7,665
A2006-0340	Todd County Conservation District	Todd	\$81,500
A2006-0444	Roundstone Native Seed, LLC	Hart	\$42,000
A2006-0447	Menifee County Conservation District	Menifee	\$60,000
A2006-0462	Montgomery County Farm Bureau	Montgomery	\$19,000
A2006-0481	Pulaski County Conservation District	Pulaski	\$135,000
A2006-0490	Bath County Conservation District	Bath	\$105,000
A2007-0050	Owen County Farm Bureau, Inc.	Owen	\$220,000
A2007-0160	Green River Area Development District, Inc.	Webster	\$12,957
A2007-0223	Monroe County Conservation District	Monroe	\$190,788
A2007-0226	Buffalo Trace Area Development District	Mason	<u>\$118,000</u>
			\$1,145,056

Production: General Ag. Diversification

A2006-0299	Anderson County Farm Bureau, Inc.	Anderson	\$136,097
A2006-0324	Campbell County Conservation District	Campbell	\$29,291
A2006-0333	Bracken County Ag Advancement Council	Bracken	\$262,500
A2006-0376	Magoffin County Cattle Association, Inc.	Magoffin	\$36,558
A2006-0378	Magoffin County Conservation District	Magoffin	\$73,116
A2006-0384	Green County Cattlemen's Association, Inc.	Green	\$92,349
A2006-0440	Clinton County Farm Bureau	Clinton	\$245,000
A2006-0479	Pulaski County Horticulture Association	Pulaski	\$65,000
A2007-0033	Pendleton County Agricultural Diversification	Pendleton	\$470,723
A2007-0041	Elliott County Conservation District	Elliott	\$13,000
A2007-0052	Gallatin County Agricultural Diversification	Gallatin	\$80,000
A2007-0088	Appalachian Alternative Agriculture	Jackson	\$75,000
A2007-0097	Carroll County Agriculture Development Fund	Carroll	\$20,000
A2007-0122	Grant County Farm Bureau	Grant	\$20,000
A2007-0139	Woodford County Ag Advancement Council	Woodford	\$50,000
A2007-0184	Edmonson County Conservation District	Edmonson	\$49,000
A2007-0200	Anderson County Farm Bureau	Anderson	\$142,811
A2007-0225	Buffalo Trace Area Development District	Mason	\$150,000
A2007-0227	Hart County Cattlemen's Association, Inc.	Hart	\$150,000
A2007-0256	Garrard County Farm Bureau	Garrard	<u>\$40,000</u>
			\$2,200,445

Production: Goat

A2006-0430	Kentucky Goat Producers Association, Inc.	Marshall	\$154,748
A2006-0491	Rockcastle County Goat Producers Association	Rockcastle	<u>\$10,000</u>
			\$164,748

Production: Greenhouse

A2007-0129	Cumberland County Board of Education	Cumberland	<u>\$60,000</u>
			\$60,000

Production: Poultry

A2006-0460	Kentucky Poultry Federation	Fayette	\$102,000
A2006-0461	Kentucky Poultry Federation	Fayette	<u>\$825,716</u>
			\$927,716

Appendix C

Research & Development

A2007-0059	Leuchemix, Inc.	Fayette	<u>\$17,973</u>
			\$17,973

Shared Use - Livestock

A2007-0119	Kentucky Minority Farmers, Inc.	Meade	<u>\$1,850</u>
			\$1,850

Shared Use - Other

A2006-0446	Menifee County Beef Producers, Inc.	Menifee	<u>\$6,500</u>
			\$6,500

Technical Assistance: Marketing/Feasibility Study

A2006-0474	Kentucky Dairy Development Council, Inc.	Fayette	<u>\$49,000</u>
			\$49,000

Technical Assistance: Other

A2006-0205	Kentucky Dairy Development Council, Inc.	Fayette	\$2,068,170
A2006-0337	Kentucky Horticulture Council, Inc.	Fayette	\$2,484,700
A2006-0379	Kentucky Sheep & Wool Producers, Inc.	Fayette	\$184,000
A2007-0090	Kentucky Grape and Wine Council	Franklin	\$290,000
A2007-0142	Kentucky Agriculture Council	Calloway	<u>\$25,000</u>
			\$5,051,870

Technical Assistance: Technology

A2006-0397	Spencer County Farm Bureau, Inc.	Spencer	\$5,725
A2006-0409	Morgan County Fiscal Court	Morgan	\$7,754
A2006-0445	Carroll County Agriculture Development Fund	Carroll	\$11,279
A2007-0042	Montgomery County Farmer's Market	Montgomery	\$9,870
A2007-0170	Gallatin County Livestock Association	Gallatin	<u>\$15,000</u>
			\$49,628

Value-added Processing: Meat/Poultry/Aquaculture

A2006-0002	B & R Drennan Enterprises, Inc.	Trigg	<u>\$412,500</u>
			\$412,500

Value-added Processing: Other

A2006-0209	Kentucky Specialty Grains, LLC	Simpson	<u>\$631,510</u>
			\$631,510

Grand Total:			<u>\$23,260,225</u>
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Kentucky Agricultural Finance Corporation

Executive Summary

Making sound investments are imperative for the success of any business or organization. The Kentucky Agricultural Finance Corporation (KAFC) has strived to develop loan programs that provide farmers access to capital for business decisions that improve net farm income. By focusing on long term projects and by giving farmers flexibility in their financial decisions, the KAFC has enabled numerous agricultural producers to leverage their own assets to secure affordable loans for the betterment of their farming operations.

When the KAFC was originally created by statute in 1984, it was envisioned that the entity would make funds available to young farmers wanting to purchase farmland. Changes made to the Beginning Farmer Loan Program (BFLP) guidelines in 2006 have resulted in 15 new loans being approved for beginning farmers during the fiscal year. These loans included financing for farm purchases, construction projects, equipment and breeding stock.

Along with the emerging BFLP, the Agricultural Infrastructure Loan Program (AILP) experienced significant growth in activity. Farmers have been able to realize measurable savings in interest rates as a result of these two programs. The AILP has provided financing for the construction and/or the acquisition of farm structures such as poultry and livestock barns, grain facilities, tobacco barns, and general farm renovations.

Lenders representing the Farm Credit System and commercial banks have been the catalyst in making these programs successful. By working directly with their local lenders, farmers have the ability to deal with someone who is already familiar with their management style, financial strengths, growth plans, and investment opportunities. These same lenders help the KAFC analyze the prudence of the decision, as well as prepare the applications, monitor the construction, file the legal documents, and facilitate the transfer of funds. The Governor's Office of Agricultural Policy (GOAP) staff truly appreciates the willingness of Kentucky's agricultural lenders in partnering with the KAFC by offering these programs.

The KAFC continues to offer other financing opportunities to agricultural entities that provide growth potential and marketing opportunities for Kentucky grown agricultural commodities. Although many potential applicants receive their requested financial assistance directly from the Kentucky Agricultural Development Board (KADB), KAFC staff members continue to discuss the financing options available via low interest loans.

Ownership of the property formerly known as the West Kentucky Growers Cooperative in Owensboro was transferred to the KAFC in early 2006. A three year lease arrangement on the facility was awarded to Cabbage Inc. of Westlake, OH for the operation of a regional hub. In 2007 local farmers were able to grow produce under contract with the entity. Intentions are to expand the growing options significantly in 2008.

Programs coordinated by the GOAP under the leadership of Governor Ernie Fletcher promote sound stewardship of the state's resources while providing financial tools that assist Kentucky farmers in improving their profitability and competitiveness. The loan programs offered by the KAFC are playing a critical role in distributing capital for agricultural investment in a manner that will preserve these funds for additional future opportunities.

K AFC Programs

Agricultural Infrastructure Loan Program (AILP)

The Kentucky Agricultural Finance Corporation (K AFC) approved a total of \$4,177,247 in loans to 80 borrowers during FY2007, the second year for the program. The AILP is designed to assist Kentucky's farmers in financing long-term projects that will improve their financial viability. These funds can be used to expand, remodel or construct buildings or farm structures for agricultural purposes only. A producer who can document tobacco history may qualify for 2% interest on K AFC loan funds. The loan must be serviced by a participating lending institution. The cap for an AILP loan is \$100,000 or 50% of the project cost.

Equine Facilities- Joe Estes of Warren County received a \$12,234 K AFC AILP loan to construct this 40' x 60' horse barn and loafing shed through Farm Credit Services of Bowling Green. The new barn is providing Mr. Estes' Tennessee Walking Horses an attractive and comfortable boarding and foaling environment.



Poultry Complexes- This two house pullet complex located on the *Lone*

Oak Farm in Wayne County is owned by Dale and Kathie Denney. Farm Credit Services of Somerset facilitated this \$100,000 K AFC AILP loan. The grower expansion initiative being carried out by Cobb Vantress, Inc. of Monticello is creating numerous opportunities for farmers in southern Kentucky.



Swine Facilities- Marsh and Jill Hunt of Carlisle County built two 100' x 198' grower barns to raise gilts under contract for Tosh Farms of Henry, TN. The \$100,000 K AFC AILP loan extended by Heritage Bank of Murray, KY has been mirrored by other lenders in western Kentucky as the interest in pork production is gaining momentum.



Greenhouses and Other Agricultural Structures-

Rider's Mill Farms, dba Roundstone Native Seed, has developed a growing native seed production business on their farm in Hart County. The owners, John and William Seymour, used a \$67,693 K AFC AILP loan through Citizens First Bank of Munfordville to construct a greenhouse, expand their seed warehouse, and renovate other facilities.

Agricultural Processing Loan Program (APLP)

The APLP provides loan opportunities to companies that add value to Kentucky-grown agricultural commodities through further processing. The K AFC approved a total of \$1,303,000 in loans to three borrowers during FY2007.

Processing Equipment- Pittman Creek Wood Products, LLC (PCWP) of Pulaski County is owned by Joe, Kenton, and Todd Ball. PCWP received a \$53,000 direct K AFC APLP loan to purchase a commercial firewood processing machine, a truck scale, and two loaders. The Balls are purchasing cull and lower valued timber from local farmers and marketing it as firewood through various channels.



KAFC Programs

Beginning Farmer Loan Program (BFLP)

The BFLP is designed to assist emerging farmers who wish to create, expand or buy into a farming operation. Loan funds may be used to purchase land, equipment, livestock, facilities, or to buy into an existing partnership or LLC. Loans must be originated and serviced by participating lenders. This program has a limit of \$100,000 or 50% of the outstanding debt held by the participating lender. The KAFC approved 16 BFLP loans totaling \$842,857 in FY 2007.



Farmland and Infrastructure Acquisitions- Richard and Randi Jury of Nelson County have accessed the KAFC BFLP twice as a source of down payment funds for two small farms. The \$43,750 in financing was coordinated through Farm Credit Services of Elizabethtown. In addition to managing *Stone Creek Farm*, Mr. Jury is increasing his personal farming investment by expanding his tobacco and beef cattle production.

Coordinated Value-Added Assistance Loan Program (CVAALP)

The CVAALP was created to offer loans to entities in Kentucky that are expanding their operation to provide new contracting opportunities to Kentucky farmers. KAFC will finance loans of up to \$1,000,000 with a limit of \$100,000 for each new grower opportunity created. One CVAALP loan was approved in FY 2007 in the amount of \$967,110.

Production Opportunities for Area Farmers- Burton Livestock, LLC received a \$967,110 CVAALP loan from the KAFC. The KAFC funds are helping the Burtons expand in an expedited manner. Harold and Shannon Burton of Mason County have been raising replacement heifers for larger dairy farms for several years. Funding from the Kentucky Agricultural Development Board enabled the Burtons to construct a calf barn, commodity shed, and working facility to serve as a logistics hub for their operation. Over 40 area farmers are involved in raising calves a part of this project.



Linked Deposit Investment Program (LDIP)

The LDIP, unlike the other KAFC loan programs that originate from Agricultural Development Funds, is funded through the state's Abandoned and Unclaimed Property Account. Loans from this program must be made by an eligible depository lender. Approved borrowers can receive loans fixed at prime with terms of up to seven years. Thirty new loans totaling \$1,513,300 were originated from this program in FY2007.

K AFC Financial Status Report

Kentucky Agricultural Finance Corporation

Balance Sheet	June 30, 2006	June 30, 2007
Assets:		
Interest Fund	253,046.96	973,721.32
Loan Fund	4,522,139.82	8,608,623.01
Funds Loaned	10,477,860.18	14,391,376.99
Funds Held by KADB	1,000,000.00	
Funds Held by State	7,000,000.00	3,000,000.00
Total Assets	23,253,046.96	26,973,721.32

Funds Committed but not Disbursed	June 30, 2007
AILP	2,602,199.39
APLP	1,250,000.00
BFLP	346,071.00
CVAALP	0.00
Total Committed but not Disbursed	4,198,270.39

Income Statement	For the Year Ended June 30, 2007
Grant Funds Received	3,000,000.00
Interest Earned from Loans	392,820.55
Interest Earned from State Investment Commission	327,853.81
Net Income	3,720,674.36

KAFC Board Members & Staff

Statutory Members

Richie Farmer, Commissioner of Agriculture
(Chair)

John Farris, Secretary of Finance and
Administration

Appointed Members

Bobby J. Gaslin
Financial Services Officer
Hardin County
Term Expires: June 2010

Wayne Hunt
Cash Grain Farmer
Christian County
Term Expires: February 2011

Larry Jagers
Dairy Farmer
Hardin County
Term Expires: June 2009

Doug Lawson
Commercial Lending Officer
Calloway County
Term Expires: June 2007

Billy Joe Miles
Tobacco Farmer
Daviss County
Term Expires: June 2008

Charles Miller
Livestock Farmer
Jessamine County
Term Expires: June 2009

Frank A. Penn
Equine Industry Representative
Fayette County
Term Expires: June 2009

Bob D. Proffitt

Horticultural Producer
Oldham County
Term Expires: June 2007

James T. Reams

Commercial Lender
Pulaski County
Term Expires: June 2009

Annette Crawford Walters

Former Commercial Lending Officer
Mason County
Term Expires: June 2009

Staff

Keith Rogers

Executive Director

Catherine Ball

General Counsel

Bill Hearn

Budget Officer

Tim Hughes

Marketing & Business Development
Coordinator

Bill McCloskey, III

Project Analyst

Joel Neaveill

Deputy Director for
Administration

Nicole Ray

Administrative Assistant and
Marketing Specialist
KY Agricultural Finance
Corporation Board Secretary



Kentucky
Agricultural
Development Fund

Governor's Office of Agricultural Policy

404 Ann Street
Frankfort, KY 40601

<http://agpolicy.ky.gov>

Governor Fletcher and the Kentucky Legislature continue to make great strides toward lessening Kentucky's dependence on tobacco production while revitalizing the farm economy by investing 50 percent of Kentucky's Master Settlement Agreement into the Kentucky Agricultural Development Fund. The Kentucky Agriculture Development Board has funded an array of county, regional and state projects designed to increase net farm income and create sustainable new farm-based business enterprises.

