



**KENTUCKY**  
DEPARTMENT OF  
**AGRICULTURE**

# **KOAP**

**KENTUCKY OFFICE OF  
AGRICULTURAL POLICY**

# **2024**

# **ANNUAL REPORT**



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# LETTER FROM COMMISSIONER SHELL

Agriculture is economic development. For many in Kentucky, farming is a way of life, but its impact reaches all of us and is vital for our economy.

As a fifth-generation farmer, I am proud to raise cattle alongside my family. But as farming changed, we noticed we needed to change, as well. While we still farm cattle, we now also grow flowers, corn, and pumpkins. Understanding the need for diversification was key to our success in this evolving landscape. To make that a reality, we used many of the programs available across the state for farmers who want to diversify their outputs.

Supporting agricultural producers across Kentucky in diversifying and maximizing their agricultural potential is a key role of the Kentucky Agricultural Finance Corporation and the Kentucky Agricultural Development Board. By providing financial assistance, they help farmers explore new opportunities and strengthen their operations. That diversification protects a way of life that has passed the values of a family farm down for generations. The farms we have today are a tribute to those who came before us. They are the product of unseen struggles and the unwavering commitment of farmers and their families.

It's an undeniable fact that farming is essential to Kentucky's future and its economy.

Kentucky agricultural cash receipts were \$8.1 billion in 2023, just shy of the all-time high of \$8.3 billion set the year prior. That number reflects just a portion of the overall estimated \$49.6 billion impact agriculture has on Kentucky's economy, making it evident that Kentucky needs agriculture.

Kentucky's top five commodities all exceeded \$1 billion in cash receipts during that record-breaking year, as well. This diversification marks a significant turning point in Kentucky's agriculture future. In the past, tobacco was king. But when the market changed, Kentucky had to change with it.

Twenty years ago, when Kentucky's political leaders secured the Master Settlement Agreement (MSA), Kentucky had tens of thousands of tobacco farms. In those days, a group of farmers and government leaders saw an opportunity to take half of the funds from the MSA, wisely invest them into Kentucky agriculture, and diversify our industry. As a result, Kentucky agriculture changed dramatically. While tobacco is still responsible for more than \$248 million of cash receipts, agricultural products such as poultry, corn, soybeans,

and cattle consistently dominate the top of the commodities list.

The diversification we've witnessed in Kentucky agriculture has allowed the state to be in a much better position to absorb fluctuations in the market.

The diversification of our agricultural landscape is central to the financial support provided by the Kentucky Agricultural Development Fund and the Kentucky Agricultural Finance Corporation. By working together, these two entities aim to create a more stable economy for the future of agriculture. In 2021, the General Assembly transferred the administration of the Kentucky Agricultural Development Fund from the Governor's Office to the Kentucky Department of Agriculture.

Considering our mission at the Kentucky Department of Agriculture is to promote the interests of agriculture and horticulture, it was a natural fit. Together, we have become a force for change, while at the same time honoring and holding tight to the agricultural roots that make this Commonwealth so special.

Since combining efforts, the groups have celebrated some important milestones. The Kentucky Agricultural Finance Corporation, which is focused on new and beginning farmers, reached \$100 million in assets and the Kentucky Agricultural Development Fund celebrated two decades of service. With hundreds of millions of dollars invested over the lifetime of the fund, Kentucky agriculture has been transformed. Now, we begin to look at the future.

In Kentucky, we are doing something about the struggles farmers face. Together, we are writing a new chapter for Kentucky agriculture.

I'm excited to be with you for the future and look forward to good things to come.

Sincerely,

A handwritten signature in black ink that reads "Jonathan Shell".

**Jonathan Shell**  
Kentucky Commissioner of Agriculture



# ABOUT US

## KOAP & Senate Bill 3

In the 2021 legislative session, the Kentucky General Assembly passed Senate Bill 3, a bill that moved administration of the Kentucky Agricultural Development Fund from the Governor's office to the Kentucky Department of Agriculture.

The Kentucky Office of Agricultural Policy provides staff support to the Kentucky Agricultural Development Board and the Kentucky Agricultural Finance Corporation and ensures Kentucky is being good stewards of dollars from the Tobacco Master Settlement Agreement. The 1998 agreement requires tobacco companies to pay settling states, including Kentucky, billions of dollars in annual installments. The Office of Agricultural Policy oversees the boards' investments into diversifying and supporting Kentucky agriculture.

# MESSAGE FROM THE EXECUTIVE DIRECTOR



It has been an honor to serve those engaged in our agriculture industry throughout my first year as Executive Director at the Kentucky Office of Agricultural Policy (KOAP), together with the Kentucky Department of Agriculture (KDA). Commissioner Jonathan Shell's passion for agriculture is second to none, and I'm excited to work alongside him in furthering KDA's mission to continuously advance Kentucky agriculture's economic development. The KOAP team is absolutely the best. Their culture is a true example of servant leadership, empowerment, and work ethic. I'm proud to be a part of this team as we work together to support the next generation of farmers to provide food, fiber, and shelter for our Commonwealth.

On Jan. 16, 2024, I said farewell to my service as State Representative, serving the 24th House District in the Kentucky General Assembly. My path leading me here can be traced back to 1999, when I was blessed to serve as the Kentucky FFA State President. Following this experience, Governor Patton appointed me to the newly formed Governor's Commission on Family Farms. Charged with guiding HB 611 through drafting, passage, and post oversight, the Commission continued until 2007 under Governor Fletcher. In 2016, I was elected to the Kentucky House of Representatives, with a primary focus toward crafting five Budget and Revenue Bills as vice chair of the Appropriations and Revenue Committee. I also served on the Tobacco Settlement Oversight Committee, which contributed to my continued respect for the staff at KOAP, and the members of Kentucky Agricultural

Development Board (KADB) and Kentucky Agricultural Finance Corporation (KAFC).

In 2024, Kentucky had \$105 million in Master Settlement Agreement (MSA) funds roll into the state, with \$46 million committed by the General Assembly directly to agriculture. Of that \$46 million, \$600,000 goes directly to the Farms to Food Banks program to assist with Kentucky's Hunger Initiative. Another \$3.4 million is assigned to the Division of Conservation to fund environmental cost share programs and provide direct aid to the conservation district offices across the state. The Raising Hope Program with the Kentucky Department of Agriculture has again been allocated \$500,000 and will jump to \$1,000,000 in 2025. This is a great investment for our farmers' health and safety across the Commonwealth. The Kentucky Agricultural Development Fund (KADF) received \$42 million, with \$27 million going to state level projects, programs, and loans and \$15 million going into the county accounts. The county allocations vary across the state based on historic burley tobacco production dependency.

The KADB members strive to continue impacting Kentucky's producers statewide, and therefore, approved the reauthorization of the State Support to Limited Allocation Counties (SSLAC) initiative for 2024. Traditionally, 118 counties in Kentucky receive Kentucky Agricultural Development Funds (KADF) at the county level. The annual amount each county receives is based on a formula driven by burley tobacco dependency and

the amount of KADF available to spread across the counties. Consequently, this has left two counties receiving no funding and several other counties receiving less than \$30,000 until 2019.

SSLAC 2024 provided state funds to 24 of our counties with allocations below \$30,000, allowing all 120 counties to have at least \$30,000 in county funds to invest in their local agricultural economy. This initiative enabled counties, such as Hickman and Union, to commit county funds toward their first County Agricultural Investment Program (CAIP) where they previously hadn't due to their history of lower burley tobacco production in 1999.

It will be a privilege to lead KOAP and witness the depth of the historical and future impact made by the Kentucky Agricultural Development Funds in our state. I look forward to meeting with our producers, extension agents, university groups, and other agriculturalists in this new role. I would like to thank my wife Olivia, and our three children Chloe, Alexandria, and Wilken for the opportunity to serve the Commonwealth in this new role. I deeply appreciate my family and parents, Willie and Lauralene Reed, for their sacrifice during my service to the General Assembly.

**Brandon Reed**  
Kentucky Office of Agricultural Policy  
Executive Director

# MASTER SETTLEMENT AGREEMENT FUNDS (MSA) FROM TOBACCO COMPANIES

## \$ 105,477,754

**\$2,379,300**  
is added in carryforward funds from FY '23.

**\$22,167,300**  
is subtracted for debt service on rural water and sewer lines.

**\$400,000**  
is subtracted for compliance at state level.

## \$85,289,754

MSA Dollars Appropriated to:  
KADF (Kentucky Agricultural Development Fund)  
ECDP (Early Childhood Development Fund)  
HCIF (Health Care Improvement Fund)

**AGRICULTURE**  
\$46,750,876

**DIVISION OF CONSERVATION**  
\$3,400,000

**RURAL MENTAL HEALTH & SUICIDE PREVENTION**  
\$500,000

**FARMS TO FOOD BANKS**  
\$600,000

**COUNTY FUNDS**  
\$15,051,606

**KADF**  
\$42,250,876

**STATE FUNDS**  
\$27,199,270

**HEALTHCARE & EARLY CHILDHOOD DEVELOPMENT**  
\$38,538,878

**KAFC Loan Programs**

**KADF State Projects**



# TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Jurisdiction of the Tobacco Settlement Agreement Fund Oversight Committee include matters pertaining to the Kentucky Agricultural Development Board, including requests to the board for grants and loans; planning by the board to establish short-term and long-term goals, to devise strategies, and to make investments that will assist farmers and the administrative, financial, and programmatic activities of the board; expenditures under the Early Childhood Development Fund and the Kentucky Health Care Improvement Fund; efforts of agencies and educational institutions to assist in the revitalization and diversification of tobacco farms; efforts of institutions of public postsecondary research in conducting alternative crop development research; review of county agricultural development council plans, and the use of Tobacco Master Settlement Agreement money.

## COMMITTEE MEMBERS

Amanda Mays Bledsoe (S), Co-Chair

Myron Dossett (H), Co-Chair

Julie Raque Adams (S)

Gary Boswell (S)

Matthew Deneen (S)

Denise Harper Angel (S)

Robin L. Webb (S)

George Brown, Jr. (H)

Kim King (H)

Shawn McPherson (H)

Phillip Pratt (H)

Rachel Roarx (H)

# KENTUCKY AGRICULTURAL DEVELOPMENT BOARD MEMBERS

The Kentucky Agricultural Development Fund (KADF), in statute, is administered by the Kentucky Agricultural Development Board (KADB).

The mission of the board is to invest these funds in innovative proposals that increase net farm income and affect tobacco farmers, tobacco-impacted communities, and agriculture across the state by stimulating markets for Kentucky agricultural products. This includes finding new ways to add value to Kentucky agricultural products and exploring new opportunities that will benefit Kentucky farms now and into the future.

## STATUTORY MEMBERS

**Jonathan Shell**  
*Commissioner of Agriculture  
(Chair)*

**Andy Beshear**  
*Governor*

**Dr. Nancy M. Cox**  
*University of Kentucky Martin-Gatton  
College of Agriculture, Food and Environment*

**Jeff Noel**  
*Secretary for the  
Economic Development Cabinet*

**Dr. Koffi C. Akakpo**  
*President of Kentucky State University*

## APPOINTED MEMBERS

**Mark Barker** | Oldham County  
*Representing agricultural lenders*

**Bobby Foree** | Henry County  
*Attorney with farm experience*

**J. Fritz Giesecke** | Hart County  
*Representing Kentucky Farm Bureau*

**Matt Hinton** | Fleming County  
*Representing Kentucky Chamber of Commerce*

**Wayne Hunt** | Christian County  
*Representing grain and tobacco farmers*

**Dr. Gordon Jones** | Warren County  
*Representing cattle and swine farmers*

**Tom McKee** | Harrison County  
*Representing farmers with ag diversification*

**Brenda Paul** | Bourbon County  
*Representing active farmers*

**Al Pedigo** | Allen County  
*Representing grain, tobacco, and cattle farmers*

**Michael Peterson** | Pulaski County  
*Representing active farmers*

**Suzanne Cecil White** | Daviess County  
*Representing livestock, grain and tobacco, hay and forage farmers*







# KENTUCKY AGRICULTURAL DEVELOPMENT FUND FINANCIAL STATEMENT

Fiscal Year 2024 (Ending 6/30/2024)

	STATE	COUNTY	TOTAL	INDIVIDUAL COUNTY ACCOUNTS
<b>BEGINNING CASH BALANCE</b>	\$56,935,690	\$0	\$56,935,690	\$18,729,220
<b>CASH RECEIPTS</b>				
Annual MSA Payment	\$27,199,270	\$15,051,607	\$42,250,877	\$15,051,607
Interested earned off - Budget County Accounts				\$669,144
<b>TOTAL CASH FY24</b>	<b>\$84,134,960</b>	<b>\$15,051,607</b>	<b>\$99,186,567</b>	<b>\$34,449,971</b>
<b>TOTAL CASH EXPENDITURES</b>	<b>\$28,712,885</b>	<b>\$15,051,607</b>	<b>\$43,764,492</b>	<b>\$17,042,855</b>
<b>ENDING CASH BALANCE</b>	<b>\$55,422,075</b>	<b>\$0</b>	<b>\$55,422,075</b>	<b>\$17,407,116</b>

## AGENCY RECEIPT ACCOUNT

Beginning Cash Balance	\$274,921
Cash Expenditures	\$100,446
<b>Ending Cash Balance</b>	<b>\$174,475</b>





The Kentucky Agricultural Development Board (KADB) approved **267** projects and programs totaling **\$34,278,812** in state and county funds during the 2024 fiscal year.

## COUNTY & STATE PROJECTS

**Kentucky Agricultural Development Fund (KADF)** projects are expected to positively affect the economic status of farmers and the targeted community. A wide array of state and county projects received KADF grants and loans in the fiscal year 2024. Projects ranged from county level grants to fund the purchase of grain bin rescue equipment and construction of farmers' markets to statewide investments in projects that provide leadership training, local food promotion, and business development assistance to Kentucky farmers.

**64** Projects : **\$15,127,420** Approved

## STATE LEVEL PROGRAMS

**Food Safety and Efficiency Incentives Program** provides funding for Kentucky farm families, businesses, and processors to increase their efficiency and food safety protocol through sound consultation services.

**1** Project : **\$3,750** Total Invested

**Large and Food Animal Veterinary Incentives Program (LFAVIP)** provides funding for Kentucky veterinarians to increase service to large and food animals in the state.

**16** Projects : **\$1,101,201** Total Invested

**On-Farm Energy Efficiency Incentives Program** provides incentives for Kentucky farm families to increase the energy efficiency of existing equipment or facilities on the farm.

**15** Projects : **\$124,959** Total Invested

# COUNTY LEVEL PROGRAMS

**County Agricultural Investment Program (CAIP)**, which offers 11 investment areas, provides Kentucky agricultural producers cost-share assistance on practices that increase net farm income and opportunities to try new and innovative technologies or systems that improve farm efficiency and productivity.

**96**  
Counties Participated  
**\$16,623,286**  
Total Invested

**The Deceased Farm Animal Removal Program (DAR)** was developed to aid in the coordination of environmentally sound and cost-effective disposal of deceased livestock.

**22**  
Counties Participated  
**\$244,175**  
Total Invested

**The Shared-Use Equipment Program** assists broad-based community organizations with the purchase of farm equipment that would normally be cost-prohibitive for individual producers.

**12**  
Counties Participated  
**\$266,701**  
Total Invested

**The Youth Agricultural Incentives Program (YAIP)** benefits youth who are interested in learning more about agriculture.

**32**  
Counties Participated  
**\$626,320**  
Total Invested

**The Next Generation Farmer Program (NextGen)** was established to address the growing need for a specialized program that would benefit producers ages 18 to 40 that have engaged in an agricultural operation for a minimum of three years.

**5**  
Counties Participated  
**\$161,000**  
Total Invested

# HICKMAN AND UNION COUNTIES CAIP

## County Program



The County Agricultural Investment Program (CAIP) is a localized investment program designed to support local farmers across the state. CAIP offers 11 investment areas, which provides Kentucky agricultural producers cost-share assistance on practices that increase net farm income and opportunities to try new and innovative technologies to improve farm efficiency and productivity. The funding for county programs, such as CAIP, comes from money allocated to counties from the Master Settlement Agreement. The total amount allocated to each county varies and is dependent upon tobacco sales in 1998-1999. Based on the calculating variables, some counties receive a lot of money and others receive very little. To help the counties that do not receive as much, the State Support to Limited Allocation Counties (SSLAC) initiative began in 2020. SSLAC provides counties on the low end of the distribution scale, enough funds to make sure they get at least \$30,000 in total each year, and the unused funds from each year roll over into the next year.

For counties, such as Hickman and Union, their County Agricultural Development Councils now have the funds available to fund CAIP programs in their respective counties. Hickman County’s CAIP is administered by Becky Kaczur with the Graves County Conservation District. For 2023, \$45,814 in county funds were allocated to CAIP. In total, she was able to distribute funding to nine farming operations covering a variety of investment areas. In Union County, the CAIP is administered by Debbie Eubanks with the Union County Conservation District. The Union County Agricultural Development Council committed \$50,000 in county funds to CAIP. Eubanks distributed these funds to 12 farming operations covering a variety of investment areas.

Eubanks and Kaczur are grateful about the funding they have received, and the impact it has made in their local communities. Both encourage their local producers to take part in the CAIP as they have seen the benefits of the program.

# DAVISS COUNTY AG EXPO

## County Project

Daviess County is known for many things, but one of its best is its annual Ag Expo. This past January marked the 50th anniversary of the Ag Expo, which sees invitees from western Kentucky to southern Indiana. Agriculture and Natural Resources Extension Agent Clint Hardy has witnessed the successes of this project and how Kentucky Agricultural Development Funds (KADF) played a major role.

“It is more than just money, it is about education, better communication and leadership development,” Hardy said.

The Ag Expo, which serves as a meeting place for producers and consumers around the Green River Region, complements the KADF because it encourages continued education.

Hardy also facilitates the Daviess County Agricultural Development Council, which has been a continuous supporter of the Ag Expo throughout the years. One thing that separates Daviess County Agricultural Development Council is how its council has been proactive about committing funds toward county programs and projects. The 50th Ag Expo is an example of how a county KADF project can successfully impact a community.



# GREENUP COUNTY FARMERS' MARKET

## State Project

The Greenup County Farmers' Market has become a must-see attraction for the county. The market, which has operated for 20 years, has recently become a hotspot with residents of Greenup County and surrounding counties after the construction of a new pavilion.

Within this new pavilion, the 36 approved vendors can showcase their goods and connect with the community. This project has been five years in the making, and residents are enjoying using it to its full potential. The funds committed to this project were both state and Greenup County agricultural development funds.

Flower boxes, hand built by students at the local middle school, greet visitors as they approach the pavilion.

"It is a community where everyone is supportive of one another" said Anne Stephens, Community Arts Extension Agent. Agriculture and Natural Resources Agent Linda Heineman played a large part in revamping the farmers' market space. She worked with a partner of KOAP, the Kentucky Center of Agriculture and Rural Development (KCARD), to develop the business plan.

The impact of this farmers' market has been expansive and reflected in the number of customers who attend. Opening day saw more than 500 customers before noon. In addition to the market being located next to the Extension Office, there have been several pop-up stands around the Greenup County, simply due to the geographic size of the county.



IT IS A COMMUNITY WHERE  
**EVERYONE IS SUPPORTIVE**  
OF ONE ANOTHER.

- Anne Stephens



## LITTLE RIVER VET CLINIC

### State Program

Dr. Todd and Joanna Freeman are a husband and wife veterinarian team out of Trigg County. After both graduated from Auburn University College of Veterinary Medicine, they opened the Little River Vet Clinic in 2012. The clinic operates as a mixed-animal practice ranging from small animals to cattle and other livestock.

The Freemans used the Large and Food Animal Veterinary Incentives Program (LFAVIP) to expand their practice and reach a larger range of services. The LFAVIP grant enables veterinarians throughout Kentucky to increase services for large and food animals within the state. The program is just one tool being used to address the shortage of large and food animal veterinarians in Kentucky.

"I have been looking to build a facility like this since we opened," said Dr. Todd Freeman, grateful for the funds he received from Kentucky Agricultural Development Board (KADB).

The larger capacity of the expanded facility has allowed the Freemans to take on more large animal vet visits. Recently, a farmer brought in his bloated calf to get the care it needed to survive. The limits of the old facility would have required Dr. Freeman to leave the clinic to visit the calf on the farm, creating a delay that could have been life threatening. This expansion has impacted Trigg County and surrounding counties, such as Caldwell and Christian.

The Freemans worked with their local extension office and the Kentucky Office of Agricultural Policy to learn about the funds.

"It's nice to work with people who want you to succeed," Dr. Todd Freeman said.

# CAIP & UKRF JOIN FORCES



Two Kentucky Agricultural Development Fund (KADF) recipients partnered together this year to connect research and production practices to impact the equine hay industry in the state. Through this partnership, lies a potential impact to create a stronger market for equine-standard hay that can be sourced from Kentucky producers, rather than purchasing from surrounding states.

## University of Kentucky Hay Project

When it comes to horses in Kentucky, many think of the passion, the hobby, and the way of life for horse enthusiasts. Dr. Robert Coleman, Dr. Ray Smith, and Krista Lea, all University of Kentucky colleagues, think of hay production in Kentucky and how it affects the horse industry. Each of them offers a unique perspective on the equine industry creating a dynamic team of researchers. Their research was funded through the University of Kentucky Research Foundation (UKRF) and the Kentucky Agricultural Development Fund (KADF).

One of the main goals of their hay project was to connect the horse owner with the hay producer to improve the sustainability of forages for an equine market.

“We also wanted to show horse owners the type of hay they need and show hay producers how to produce that hay all focused on the best needs of the horse,” explained Drs. Coleman and Smith.

“The logistics of getting hay can be really challenging for horse owners as well as a significant cost,” said Lea, who is also a horse owner.

This project allows the researchers to help horse owners find the right hay to reduce the cost of horse ownership, therefore opening it up to more people. Amongst the many challenges of hay production in Kentucky, horse owners alter the demand focus due to the want for quality hay they believe is not locally available in Kentucky. Producers feel they can produce hay here in Kentucky but aren’t getting compensated enough.

A major goal of this project is to help horse owners “become better consumers of Kentucky hay,” Dr. Coleman said.

The project should be considered an “expanded economic opportunity,” Dr. Smith said.

“With these funds they have worked on farms, planned field days, covered publication costs, and employed individuals who have worked alongside us at the university,” Dr. Smith said.

The future of this project is an amazing opportunity for the equine market and the hay producer. An abundance of opportunity is possible to market quality hay to the Kentucky equine industry.

Through this project there lies the opportunity to help horse owners have successful farms, giving hay growers an opportunity to have a high-value market for hay produced on their operation.

### Nicholas County Field Day

The Nicholas County Field Day on June 27 gathered farmers statewide to learn more about quality hay production, where drones and hay equipment demonstrated the advancements within the hay industry.

JP Judge said his equine hay operation wouldn’t have been possible without the Nicholas County Agricultural Development Funds committed to the County Agricultural Investment Program (CAIP). As a successful recipient of Nicholas County CAIP funds, Judge has utilized the county funds to develop his hay operation that markets to the high-end equine industry and begun a partnership with the team at UKRF.

Judge’s involvement in CAIP, has allowed him to be better informed on the process and made it easy for the funds to be dispersed by Nicholas County Conservation District. Through this project, hay producers can access Kentucky Agricultural Development Board’s investment in local producers, county programs, and funding educational state projects. It is the hope of both KADF recipients mentioned above that their action can open the door to creating a hay market for Kentucky’s equine industry.



# KENTUCKY ASSOCIATION OF MEAT PROCESSORS

The Kentucky Association of Meat Processors (KAMP) is a non-profit organization representing meat processors across the state. KAMP treasurer Allison Boone Porteus currently owns and manages her family meat processing facility, Boone's Butcher Shop in Bardstown. Porteus first approached the Kentucky Agricultural Development Board (KADB) in June 2022, to request funding to operate KAMP and was awarded \$95,940 in state funds.

Kentucky is home to more than 100 meat processing facilities that vary in size and production, including a mix of custom and U.S. Department of Agriculture certified processors. KAMP was created to enhance communication between meat processors across the state. Porteus wanted to create a network and a unified voice for the industry on a state and national level. Through KAMP, processors can discuss issues, exchange ideas, and learn about opportunities to grow their companies. For its members, KAMP sends out monthly newsletters focused on industry updates. The organization has also started holding networking and educational events with the intention of hosting a statewide convention in the future.

KAMP members gain access to all its resources immediately once joining. KAMP provides additional

support to help universities and extension agents meet the needs of processors. The organization offers representation with the Kentucky Livestock Coalition to promote eating meat. KAMP continuously monitors state and national regulations to provide context for members quickly. In addition to processor membership, KAMP also offers a membership option for suppliers around the state. Similarly to its processor membership, the suppliers are introduced to a network of processors and offered opportunities to cultivate relationships with processors. KAMP has 60 processor members and 43 supplier members.

"We're a stronger industry and a stronger partner to Kentucky agriculture by working together and helping each other," Porteus said. "We all have different experiences, and we can learn from each other. Whether you're a larger plant with decades of experience or a smaller plant that just got started, building a network in our unique industry can be one of the most important things a processor can do for the success and longevity of their business."

Shortly after KAMP was funded, Jennifer Hardin started as the Executive Director. She is tasked with finding solutions to leading issues in the industry including workforce shortages and workforce development. Hardin developed the Master Butcher Program, and together,







Hardin and Porteus approached the KADB again and were awarded \$472,750 in state funds for the program in April 2024.

The Master Butcher Program will consist of a Master Butcher who travels across the state to train and develop the industry's workforce. The training is divided into seven categories, with some available online. All members of KAMP can request the services of the Master Butcher and view the online training material. The Master Butcher provides training based off the needs of each individual processor even if it falls outside the already established seven categories.

"I think it can have a wonderful impact on our producers," Hardin said, as she continues looking for ways to expand the training into schools.

KAMP supports its members in a variety of different ways, with members identifying where the support is needed. Members range from those already established to those just joining the industry. KAMP is constantly growing and adapting to the members benefit by having a voice in policy making. The Master Butcher Program allows KAMP members to access specialized individual training. KAMP works to create a welcoming environment and serves as a resource for industry training and knowledge.

**WE'RE A STRONGER  
INDUSTRY AND A  
STRONGER PARTNER  
TO KENTUCKY  
AGRICULTURE  
BY WORKING  
TOGETHER.**

*- Allison Boone Porteus*

# KENTUCKY AGRICULTURAL FINANCE CORPORATION BOARD MEMBERS

The Kentucky Agricultural Finance Corporation (KAFC) was created by statute in 1984. In 2002, the Kentucky Agricultural Development Board, as part of the Long-term Plan for Agriculture Development, recommended KAFC be restructured to provide capital access for agricultural diversification and infrastructure projects. In keeping with that priority, KAFC was awarded Kentucky Agricultural Development Funds in July 2003 to accomplish its mission.

KAFC addresses the unique financing needs of agriculture in the Commonwealth. KAFC Board's mission is to strengthen Kentucky agriculture by providing access to low-interest loan programs through joint partnerships with local lending institutions. KAFC assists beginning farmers, farm families, and agribusinesses to obtain the necessary capital to establish, maintain, or expand their agricultural operations.



## STATUTORY MEMBERS

**Jonathan Shell**  
*Commissioner of Agriculture  
(Chair)*

**Holly McCoy-Johnson**  
*Secretary of Finance and Administration*

## APPOINTED MEMBERS

**Dr. Kenneth H. Burdine** | Jessamine County  
*Representing agricultural economists*

**Wayne Hunt** | Christian County  
*Representing cash grain farmers*

**Larry Jagers** | Hardin County  
*Representing dairy farmers*

**Lori Noel** | Calloway County  
*Representing commercial lenders*

**Dan Flanagan** | Taylor County  
*Representing tobacco farmers*

**Jonathan Noe** | Garrard County  
*Representing ag credit association*

**Frank A. Penn** | Fayette County  
*Representing equine industry*

**David Rink** | Shelby County  
*Representing livestock farmers*

**Linda L. Rumpke** | Fayette County  
*Representing commercial lenders*

**Mac Stone** | Scott County  
*Representing horticulture farmers*





## Kentucky Agricultural Finance Corporation

# FINANCIAL STATEMENT

Fiscal Year 2024 (Ending 6/30/2024)

<b>BEGINNING CASH BALANCE</b>	<b>\$22,817,986</b>
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### CASH RECEIPTS

Principal	\$11,196,119
Interest earned on loans	\$1,937,724
Interest earned on cash	\$1,322,835
Other income (Grants, Transfers)	\$15,860,000

<b>TOTAL CURRENT YEAR RECEIPTS</b>	<b>\$30,316,678</b>
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<b>TOTAL CASH</b>	<b>\$53,134,664</b>
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### CASH EXPENDITURES

Loans Disbursed	(\$27,740,254)
Refunds	(\$0)

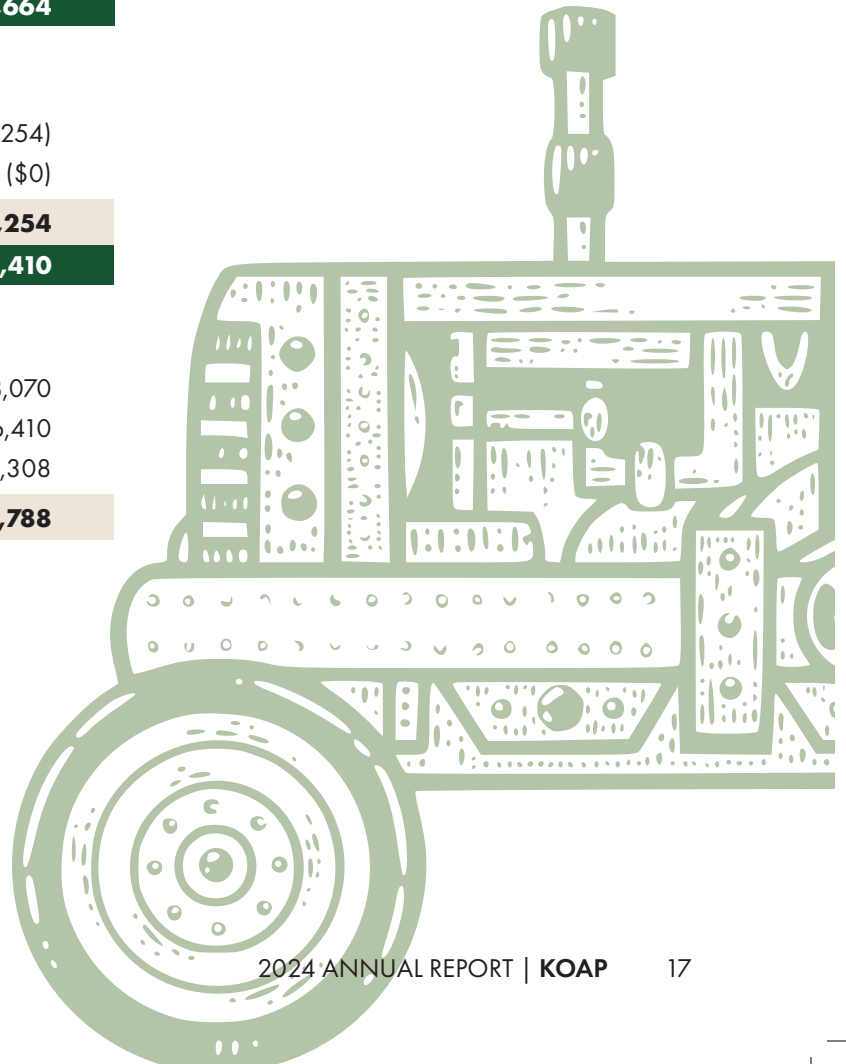
<b>TOTAL CASH EXPENDITURES</b>	<b>\$27,740,254</b>
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<b>ENDING CASH BALANCE</b>	<b>\$25,394,410</b>
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### ESSENTIAL OPERATING DATA

Loans Approved Not Disbursed	\$25,128,070
Funds Uncommitted	\$266,410
Accounts Receivable	\$109,011,308

<b>TOTAL ASSETS</b>	<b>\$134,405,788</b>
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# KAFC LOANS

## for Fiscal Year 2024

**Kentucky Agricultural Finance Corporation (KAFC)** provides access to below-market financing through its participation loan programs in partnership with lenders across the state. By offering low-interest rate loans, KAFC can mitigate risk for lenders and improve cash flow for farmers, KAFC makes financing possible for many agricultural projects that would otherwise be underfunded or unfunded.

KAFC's participating loans can fund up to half the project costs, while taking a subordinate position behind the originating lender. The following loan programs are available to Kentucky producers and processors who are currently engaged or entering into the agricultural industry:



## BFLP

**Beginning Farmer Loan Program (BFLP)** assists individuals with some farming experience to develop, expand, or buy into a farming operation. Eligible projects include the purchase of real estate, equipment, and livestock. Loans are also available for the construction or renovation of agricultural facilities, as well as funds to invest into a farm partnership or business.

146

Loans Approved

\$25,927,247

Total Amount

## DEALP

**Diversification through Entrepreneurship in Agribusiness Loan Program (DEALP)** assists agri-entrepreneurs with the purchase, establishment, or expansion of a business that sells agricultural products or services to farmers or consumers. Eligible projects include the purchase of real estate, equipment or facilities, construction or renovation of structures and permanent working capital.

4

Loans Approved

\$800,000

Total Amount

## LFAVLP

**Large/Food Animal Veterinary Loan Program (LFAVLP)** helps individuals licensed to practice veterinary medicine in Kentucky to construct, expand, equip, or buy into a practice serving large/food animal producers, including goats, sheep, swine, and other smaller food animals.

1

Loan Approved

\$125,000

Total Amount

## APLP

**Agricultural Processing Loan Program (APLP)** provides loan opportunities to companies and individuals in Kentucky interested in adding value to Kentucky grown agricultural commodities through further processing.

1

Loan Approved

\$204,500

Total Amount

## AILP

**Agricultural Infrastructure Loan Program (AILP)** assists Kentucky producers by providing access to below market financing for the acquisition, renovation, or construction of agricultural structures that enhance the profitability of their farming operation.

60

Loans Approved

\$10,537,168

Total Amount

**KYLE & TISHA KIRKS**  
AILP

Kyle and Tisha Kirks, from Graves County, own a family farm that consists of poultry barns, row crops, and a cow-calf operation. Their main focus is to increase the number of poultry barns that currently runs about five flocks a year for Tyson Food Inc. From those five flocks raised on the Kirks' farm, around 5 million tons of meat will be harvested.

In early 2024, the Kirks approached Lori Noel, vice president and chief lending officer with FNB Bank, and submitted an application to the Kentucky Agricultural Finance Corporation (KAFC) to finance four additional Tyson poultry barns. The Kirks utilized the Agricultural Infrastructure Loan Program (AILP) through the KAFC in purchasing the barns. AILP assists Kentucky producers by providing access to below market financing for the acquisition, renovation, or construction of agricultural structures that enhance the profitability of their farming operations.

Once the construction is finished on the four new barns, the Kirks will double the number of chickens that flow through their farm.

"The loan is a huge help, the interest alone makes it all worth it," Kyle Kirks said. "Lori presented us with the option of using the program in participation with additional financing from FNB and we took it."

**THE LOAN IS A HUGE HELP, THE INTEREST ALONE MAKES IT ALL WORTH IT.**

- Kyle Kirks





## WALNUT GROVE FARMS APLP

John and Sam Halcomb, brothers who own and operate Walnut Grove Farms in Logan County, recently decided to expand and grow through Walnut Grove Logistics and create their own grain processing facility in Warren County. Sam spends most of his time focusing on the farm in Logan County while John spends most of his time managing the grain facility. At the facility they import mainly rye and barley that is then cleaned and distributed to various distilleries across the state. John is consistently looking to find additional ways to utilize his new facility, even making a small venture into pet food.

With the partnership of Rick Tringle with Franklin Bank & Trust Co. and the Kentucky Agricultural Finance Corporation (KAFC), the brothers were able to get four new grain bins and a new grain elevator. The Halcomb brothers utilized KAFC's Agricultural Processing Loan Program (APLP) when obtaining the assets. The new grain equipment has substantially increased the storage and processing capacity at the facility.

"The blended rate really helps a whole lot," John explained. "It has allowed us to become independent in our processing. We can receive, clean, and distribute all from one location. The loan helped us turn our idea into reality."

The APLP is designed to provide loan opportunities to companies and individuals in Kentucky interested in adding value to Kentucky-grown agricultural commodities through further processing.

THE LOAN HELPED  
US TURN OUR  
**IDEA INTO REALITY.**

- John Halcomb



## T&H FEED SERVICE DEALP

T&H Feed Service, an agriculture retail store in Marion County, is owned and operated by Nick Rogers. The store was originally opened by Rogers' grandfather in 1958 and has since been passed down through the generations of the family. Originally opened as a feed store, it has grown to offer various other services, along with the feed. The main service customers utilize is crop spraying. In a typical year, Rogers provides services to around 40-50 farmers covering roughly 20,000 acres.

In 2024, Rogers sought out a new Apache Sprayer. For assistance in financing the loan, he teamed up with Jonathan West, loan officer with Farm Credit Mid-America, and the Kentucky Agricultural Finance Corporation (KAFC). He participated in the Diversification through Entrepreneurship in Agribusiness Loan Program

(DEALP) offered by KAFC. DEALP assists agri-entrepreneurs with the purchase, establishment, or expansion of a business that sells agricultural products or services to farmers or consumers. Eligible projects include the purchase of real estate, equipment or facilities, construction or renovation of structures, and permanent working capital.

Rogers noticed the effect in his personal life, as well. He and his father share a 1,500 acre row crop operation on which he has used the sprayer.

"I will probably end up applying again when I need some new equipment," Rogers said. "It was a seamless and easy process. In our current environment where interest rates are 7 to 8 percent, the 2.75 percent interest rate helps a lot, and it worked great for us."



# TODD COUNTY ANIMAL CLINIC

## LFAVLP

**T**odd County Animal Clinic was founded in 2013 by Dr. John Laster, a Todd County native. The clinic serves multiple surrounding counties and specializes in mixed animal practices. Since the practice started, three additional veterinarians have joined Dr. Laster. They include Dr. Cory Goodlett, partner, Dr. Madelyn Pelletier-Orem, partner, and Dr. Madison Futrell, associate.

Among the four veterinarians, their services are widespread to meet the needs of animals and their owners across the Commonwealth. They service areas spanning from Elkton, Kentucky, to northwestern Tennessee. A unique component of how the Kentucky Agricultural Development Funds impacted Todd County Animal Clinic was the use of the funds, allowing Dr. Pelletier-Orem to purchase a percentage of the practice, as well as provide the clinic with an opportunity to increase its large and food animal services.

The purpose of the Kentucky Agricultural Finance Corporation's (KAFC) Large and Food Animal Veterinary Loan Program (LFAVLP) is to assist licensed veterinarians within the state who are looking to construct, expand, equip or buy into a practice. The Kentucky Agricultural Development Board (KADB) created the Large and Food Animal Veterinary Incentives Program in October 2022 to increase large and food animal opportunities by leveraging state and county agricultural development funds. In 2023, Dr. Pelletier-Orem was approved jointly by the KAFC and KADB to leverage funds, in addition to financing part of the purchase of clinic ownership with loan officer Betsy Shelton from First Southern National Bank.

"The clinic has become family," Dr. Pelletier-Orem said about the long-term investment.

First Southern National Bank matched state and county funds allowing for the purchase of equipment necessary to provide services to large animals. Due to this grant, the clinic has opened a satellite facility and purchased an ultrasound machine.

The new ultrasound equipment allows at least one veterinarian to be on the road and answering calls that require this technology without taking the ultrasound equipment that is in the clinic. This allows multiple veterinarians the technology to respond to urgent calls, as well as utilize the satellite clinic in Christian County. Without the grant, this equipment would have taken five to 10 years to finance. Todd County Animal Clinic and its veterinarians are an example of the positive impact the LFAVLP can have on a community.



## JACOB & HANNAH WILLIAMS

### Grayson County

Clarkson, Kentucky, is home to Jacob and Hannah Williams. Together they operate a grain farm they recently expanded thanks to Magnolia Bank and a participation loan with the Kentucky Agricultural Finance Corporation (KAFC), specifically the Beginning Farmer Loan Program (BFLP). With the addition of this land, the Williamses can grow hay and alfalfa. Alongside Jacob was his mentor, Agriculture and Natural Resource Extension Agent Whitney Carman, and Magnolia Bank loan officer Dustin Hayes.

Jacob describes the lender and mentor process to have been very helpful.

“Beginning farmers are the future,” Carman said.

Jacob described the KAFC application process as being simple and easy. Applying for these loans allowed for the purchased farmland in Grayson County. Loans were also provided by Magnolia Bank and Farm Service Agency (FSA).

The BFLP exists to assist farmers looking to develop, expand, or buy into a farming operation, creating a place for young farmers to start new careers.



## BEGINNING FARMERS ARE THE FUTURE.

- Whitney Carman



## MATTHEW WINGATE

### Franklin County

Matthew Wingate is an attorney with big aspirations for his property in Franklin County. Along with his wife Moira, the Wingates own farmland where they plan to expand their beef cattle operation. They currently run about 40 head of cattle and plan to extend the utilities about a mile.

The Wingates searched for the perfect spot to expand their farming operation for about three years. During this time, they viewed 10-15 properties and when their current property came on the market, they were willing to do anything to acquire their dream farm.

“The process was super simple, KOAP was gracious enough to meet with us multiple times to help Traditional Bank know how to service it,” Matthew Wingate said.

When it came to the mentorship process, Matthew Wingate had the opportunity to learn from Agriculture and Natural Resource Extension Agent Keenan Bishop, who he has known for a long time.

“The business plans and materials needed were very reasonable,” said loan officer Mike Feldman of Traditional Bank of the Wingates request.

The Wingates demonstrate the lasting effects the Beginning Farmer Loan Program (BFLP) can have on a family.

# GABRIEL CAMBEROS

## Madison County

Gabriel Camberos owns a small family-run commercial hair sheep operation in Madison County. He owns 24 ewes, along with a ram, and has sold 33 lambs at his first sale. They have been in operation since January 2024 and purchased the sheep in February.

Stevi and Gabe Camberos are transplants to Kentucky with minimal background in farming. Gabe gained knowledge and experience by working with mentor, Bo Tate, at his beef cattle operation. Applying for the Beginning Farmer Loan Program (BFLP), in partnership with Central Kentucky Ag Credit, has allowed the Camberoses to purchase farmland in Madison County.

"It was great to have had funding and support to build this dream from the ground up," Gabe said, adding that the knowledge Chris Cooper, of Central Kentucky Ag Credit, brought to the process was helpful.

"The Camberoses made it an easy process and had all their sheep in a row," Cooper said.

The Camberoses are an example of the positive impacts BFLP can have on a family and the community.

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**IT WAS GREAT  
TO HAVE HAD  
FUNDING AND  
SUPPORT TO  
BUILD THIS DREAM  
FROM THE  
GROUND UP.**

- Gabe Camberos

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## JUSTIN OBENCHAIN

### Hancock County

Justin Obenchain, a young farmer in Hancock County, raises around 20 acres of sweet corn for his local community with the help of his wife and son. Once harvest is complete and the corn has been processed, Obenchain sells it to be consumed in local schools and food banks. In the past, he has only been able to service a couple of food banks and a few schools.

Being a young driven farmer, he wanted to do more, so he partnered with Wayne Mattingly at Independence Bank, alongside the Kentucky Agricultural Finance Corporation (KAFC), to purchase a new sweet corn processor and a new freezer. Obenchain participated in the Beginning Farmer Loan Program (BFLP) offered by KAFC. The BFLP is designed to assist individuals with some farming experience to develop, expand, or buy into a farming operation.

The sweet corn processor he purchased is incredibly unique. It is the only one of its kind in the state and just one of three in the nation. With the new processor and freezer, Obenchain can fully utilize his land since he has more storage, and the processor significantly increases his processing speed.

To help distribute his newfound supply of corn, he partnered with Brandi Button-Johnson and Ashton Potter with The Food Connection at the University of Kentucky. This is a project funded by the Kentucky Agricultural Development Board (KADB).

The Obenchains are now looking to supply nearly 20 schools with corn, along with several food banks. As a part of the BFLP each participant has a mentor. For Obenchain, his mentor is Evan Tate, who is the Agriculture and Natural Resource Extension Agent in Hancock County.

“Evan is awesome,” Obenchain said. “He’s been a great help, whether it’s just bouncing ideas back and forth, or him just answering questions I have, he has been a huge help.”

“Without the ladies from the Food Connection, Wayne and everyone at the bank, and KAFC, none of this would be possible,” Obenchain said.



# ALAN CUNNINGHAM

## Christian County

Alan Cunningham, a second-generation farmer from Christian County, mainly farms tobacco, wheat, corn, beans, and has cattle across multiple farms. In 2023, he received a \$250,000 participation loan from the Kentucky Agricultural Finance Corporation (KAFC) through the Beginning Farmer Loan Program (BFLP), along with financing from Planters Bank. Cunningham used his loan to purchase a 50-acre tract of land in Christian County.

Cunningham plans to rotate multiple crops a year on the 50-acre plot, while continuing to use the other farms.

"It has helped a whole lot," Cunningham said about the impact BFLP has had for his operation. "It's a big deal to be able to get a loan with (low) interest. It helps a lot to get going."

To meet the requirements of the program, Cunningham chose a friend of seven years, Kayla Brashears, to be his mentor. The two had already worked together for multiple years through the farm analysis program at the University of Kentucky. Brashears brings valuable experience to the duo because she has been a mentor for others in the past.

"She has been a big help with a lot of things I don't know," Cunningham said of Brashears. "She's knowledgeable and is able to really help me out."

The BFLP serves as a bridge to help young farmers get started, while also gaining valuable knowledge about the industry.

When asked if he would recommend the program to others his response was, "yeah 100 percent. It's a big deal."



# KELTON MATTOX

## Harrison County



Kelton Mattox, a young farmer from Cynthiana, has grown up farming with his family. Recently, he decided to purchase a farm to start his own operation. With assistance from Ben Van Hook at Central Kentucky Ag Credit and the Kentucky Agricultural Finance Corporation Beginning Farmer Loan Program (BFLP), he was able to purchase 66 acres down the road from his family. The BFLP is designed to help young farmers get into the industry whether through expansion, buying into an operation, or a farm purchase. Eligible applicants can receive up to a \$250,000 participation loan with an interest rate of 2.75 percent.

With his newly purchased farm, Mattox has started his own cow-calf operation focusing on breeding stock. He already has several heifers and calves on the farm. For the future, his goals are to move away from commercial herd and go to registered stock, mainly Simmental and Gelbvieh beef cattle. For his required mentor, Mattox chose a long-time friend and agriculture teacher, Lacey Short, to help guide him throughout the beginning stages.

"She has helped me a lot, especially with my proficiencies, agrisciences, and getting my American degree through FFA," Mattox said. "She knows a lot of things about animals, especially a lot of things I don't know. It's awesome just to be able to call her and she can lead me the right way."

"It opened a lot of doors for me, I just have to pick one to go through," Mattox said of the BFLP. "I would highly recommend it. It's easy to get into and is a reasonable experience. I would recommend any young farmer that needs some help to do it."



# KOAP STAFF

**Brandon Reed**  
*Executive Director*

**Bill McCloskey**  
*Deputy Executive Director*

**Alexis Scheidt**  
*KADF Project Manager*

**Bailey Siry-Crowder**  
*KADF Project Compliance Manager*

**Bill Hearn**  
*Fiscal Officer*

**Brian Murphy**  
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**Chelsea Smither**  
*KADF Project Manager*

**Hannah Sharp-Johnson**  
*Boards & Special Events Manager*

**Hunter Jones**  
*KAFC Loan Programs Manager*

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**Rebecca Besok**  
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**Sarah Bryant**  
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**Wade Carrington**  
*Intern*

# THANK YOU TO OUR PARTNERS



Thank you to all partners throughout the Commonwealth that contribute to the unprecedented success of the KADF's and KAFC's projects and programs. The Tobacco Master Settlement Fund impact would not be at the current level without the network of individuals and organizations that support Kentucky agriculture.

**County Cooperative Extension Service**

<http://extension.ca.uky.edu/>

**Kentucky Cabinet for Economic Development**

[www.thinkkentucky.com](http://www.thinkkentucky.com)

**Kentucky Center for Agriculture and Rural Development**

[www.kcard.info](http://www.kcard.info)

**Kentucky Department of Fish and Wildlife**

[www.fw.ky.gov](http://www.fw.ky.gov)

**Kentucky Division of Conservation**

[www.conservation.ky.gov](http://www.conservation.ky.gov)

**Kentucky Division of Water**

[www.water.ky.gov](http://www.water.ky.gov)

**Kentucky Small Business Development Center**

[www.ksbdc.org](http://www.ksbdc.org)

**USDA Farm Service Agency**

<https://www.fsa.usda.gov/state-offices/Kentucky>

**USDA Natural Resource and Conservation Services**

[www.nrcs.usda.gov/wps/portal/nrcs/site/ky/home](http://www.nrcs.usda.gov/wps/portal/nrcs/site/ky/home)

**USDA Rural Development**

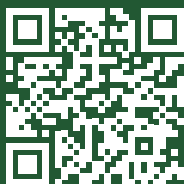
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