INVESTING IN GROWING OPPORTUNITIES THROUGHOUT KENTUCKY.

MSA Master Settlement Agreement

Governor’s Office of Agricultural Policy
Kentucky Tobacco Industry

1998

- # Farms – 46,850
- Tobacco value – $924,086,000
- Total Cash receipts from Agriculture - $3,769,414,000

2014

- # Farms – 4,537
- Tobacco value – $429,884,000
- Total Cash receipts from Agriculture - $6,506,391,000
HB 611

• Oversight Committee
• Formation of GOAP (Governor’s Office of Agricultural Policy)
• $472,000,000 – KY MSA payments
• UK studies - $1 invested generated $2.03
Kentucky Agricultural Development Board

• Chaired by Governor Matt Bevin
• Commissioner of Agriculture
• Dean of the UK College of Agriculture, Food and Environment
• President of Kentucky State University
• Secretary of the Cabinet for Economic Development
• 11 board members appointed by the Governor
Governor's Office of Agricultural Policy

• Established to administer MSA funds
• Executive Director appoint by Governor
• Project – county & state
• Compliance
• Lawyer
• Accountant
• Presently 13 employees
• Paid from within the MSA settlement fund
2017 Budget

- KY MSA Payment $90,000,000
- Debt service on water and sewer lines - $24M
- Split ½ Health care, ½ Agriculture
- Agriculture portion
  - $600,000 Food Bank – KDA
  - $5 Million- Shared-Used Equipment Program/
    Dead Animal Removal Program/
    Environmental Stewardship Projects
- GOAP - $26M
Funding

• $26,000,000
  – 35% county/ 65% State

• County - $10 Million - 50/50 cost-share
  - County Council
  - CAIP (County Agriculture Investment Program)
    - 167 Hay barns in Rockcastle/ GPS equipment for spraying and fertilizing in Hardin Co/ 600 cows synchronized in Anderson Co
State Portion - $16,000,000

- Regional and state wide projects
- Ethanol Plant – 4,000 farmers – return 78 cent/bushel
- KY Beef Network – Master Cattleman, Master Grazer, Master Marketer – educational
- KY Dairy Development Council – MILK program – improved quality and increased production
- KCARD – business plans / 3rd party advice
- KY Proud – promotional program for local agricultural products
- Farmer Markets/ Meat Processing Plants
- KASMC – river and stream monitoring
Ag Finance Corporation
– Loan program

• $55,000,000
• 2% loan with lender taking a 2\textsuperscript{nd} position
• 462 loans – land, buildings, equipment
  - Beginning Farmer (75% not made without Ag Finance)
    - Processing
    - Diversification
    - Large Animal Vet
    - Infrastructure
Energy Program

• $500,000
• Energy savings
• 3rd Party audit
• Scoring system – saving payback
• 50/50 cost share
• $10,000 per year
• $25,000 per lifetime
MSA – has worked in Kentucky

• Agriculture is producing more with less
• Extreme yields are combined with soil health, clean water and comfortable animals.
• Farm cash receipts have nearly doubled since the inception in 1998.
• Tobacco money has been seed for investment in production practices, farm innovation, genetics, nutrition and education.

• KY Agriculture is better and more diverse! It has worked!