

**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 2nd 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!

