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Message from Commissioner Shell

“Sustaining agriculture for future generations requires investment and diversification.”

Kentucky agriculture is thriving. In 2024 we hit record levels at \$8.3 billion for agricultural cash receipts. That number reflects just a portion of the estimated \$49.6 billion impact agriculture has on Kentucky’s economy.

From its No. 1 farm commodity, poultry, to beef cattle, which numbers rank Kentucky as the No. 1 beef producing state east of the Mississippi River, to corn and soybean, two commodities that each bring in more than \$1 billion annually, Kentucky’s wide diversity of farm products keeps the state growing.

Kentucky traditions and economy are deeply rooted in agriculture. Nearly half of the state’s total acreage is dedicated to some agricultural pursuit. From livestock farms to row crops to farmers’ markets, it’s difficult to find an area in Kentucky that’s not touched by agriculture. It’s our way of life and our identity.

Three decades ago, that landscape looked different. Tobacco was king, one of Kentucky’s staple crops contributing nearly 25 percent toward the annual agricultural cash receipts.

Tobacco farms of all sizes dotted the landscapes. Time was marked with what was happening on those farms, from planting, to growing, to cutting,

to drying. Tobacco was celebrated across the state. Towns had festivals in its name, and tobacco kings and queens were crowned.

That long-celebrated history with tobacco began to change when Kentucky, along with 51 states and territories, reached an agreement with major cigarette manufacturers that resolved state lawsuits against tobacco companies. The Tobacco Master Settlement Agreement distributed payments to those settling states to satisfy the terms of the lawsuit.

From the beginning of the tobacco settlement, Kentucky set out to help farmers diversify the state’s agricultural product away from tobacco. Kentucky allocated half the money it received from the tobacco settlement funds to Early Childhood Development and the Kentucky Health Care Improvement funds. The other half was allocated for agricultural diversification through grants and loans distributed by the government organizations created just for those purposes. That task now belongs to the the Kentucky Office of Agricultural Policy (KOAP) and boards members from the Kentucky Agricultural Finance Corporation (KAFC) and the Kentucky Agricultural Development Board (KADB).

Now, 25 years after we began using tobacco settlement payments

to diversify Kentucky agriculture, we have a better picture of our agricultural future. Since 1998, the Commonwealth has received \$2.8 billion from the nationwide agreement, half of which was to fund agricultural diversification.

Sustaining agriculture for future generations requires investment and diversification. The work of KAFC and KADB boards members has allowed Kentucky to carve out a different future. It’s a future built on diversification, built to last, and built to survive the constant changes of the agriculture world.

Tobacco is still a valued crop in Kentucky. In the United States, we’re tops in the production of burley, fire cured, and dark air-cured tobacco. Last year, in fact, farm families across the state raised more than \$200 million worth of tobacco. We have a long and rich history in growing some of the best tobacco in the world and we’re not abandoning that.

We’ve just diversified our agricultural landscape to create a stronger future, and I can’t wait to see what we can do in the next 25 years!

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 a good steward 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 Kentucky Office of Agricultural Policy oversees the boards' investments into diversifying and supporting Kentucky agriculture.

Message from the **Executive Director**



I am humbled to serve as the Executive Director at the Kentucky Office of Agricultural Policy (KOAP) under the Kentucky Department of Agriculture (KDA) led by Commissioner Jonathan Shell, whose passion for agriculture is second to none. I am excited to work alongside him in furthering his mission to advance Kentucky's agricultural economic development. The KOAP team is absolutely the best. Its culture is a true example of servant leadership, empowerment, and dedication. I'm proud to be a part of this team as we work together to support the next generation of farmers who provide food, fiber, and shelter for Kentucky.

This year marks a very important milestone for our organization. It is the start of our 25th silver anniversary, and I would like to take this opportunity to highlight some of the many accomplishments and history that the Kentucky Agricultural Development Funds have brought to the Commonwealth.

It all started in 1998 with the Master Settlement Agreement (MSA). This led to the formation of the Governor's Commission on Family Farms, which I had the honor of serving for eight years. That guidance and recommendations helped form the policy of HB 611 passed by the Kentucky General Assembly in 2000. In perpetuity, 50 percent of the MSA funds would be invested toward diversifying our agriculture industry,

"This year marks a very important milestone for our organization."

leading to the creation of the Kentucky Agricultural Development Fund (KADF). The remaining portion of funds were to be invested toward healthcare initiatives and early childhood development. The KOAP was established with the mission to diversify the state's agriculture economy and lessen our dependency on tobacco. Over three quarters of a billion dollars invested into cash receipts resulting in \$2 billion to \$8 billion, while reducing tobacco dependency from 25 percent to less than 3 percent. Our Kentucky Agricultural Finance Corporation (KAFC) has also led the way, by securing more than \$180 million in assets, by partnering with Kentucky lenders. I'm enthusiastic by our KOAP staff, who provide integral support and logistics, making these priorities a reality for our farmers.

During my junior and senior years in high school, I wrote articles for my local newspaper titled "Tomorrow's Agriculturist." On Jan. 29, 1999, I wrote a piece called "Survival in the Bluegrass for Tobacco Farmers." It centered around the Tobacco Taskforce, pre-Commission, prior to the 2000 General Assembly. The task force was charged with traveling around the Bluegrass holding town halls. I attended one of those events, wearing my blue corduroy FFA jacket, with pen and paper in hand. Taking notes, observing all the faces and listening to the concerns of all the farmers in the meeting hall. At the time, there were a lot of questions, no solutions, and emotions were high with anticipation and expectations. These conversations led to the policy that we know today. Here is an excerpt from that article: "As I sat listening to each speech, I was reminded of our Commonwealth's Seal. The frontiersman shaking hands with a statesman; however, this day, the frontiersman was replaced by a farmer. A farmer that was tired of standing by the sidelines, reminding Frankfort,

'United We Stand, Divided We Fall'." Looking back, proud of the process, the result...but more importantly, the vision going forward.

What better way to look forward than to kickstart our 25-year silver celebration where it all began, at the Kentucky Historical Society in June where we had our Joint Kentucky Agricultural Development Board and KAFC board meeting. We hosted more than 25 partners that showcased their passion from the strategic investments that KOAP has funded over the past 25 years. We celebrated success, heard from past executive directors, and received new strategic recommendations. As you read this annual report, our boards are working hard to implement new policies, enhance opportunities, and engage the farmer for tomorrow's challenges. Our staff will continue to work hard to execute their policy and work closely with the Kentucky General Assembly to ensure continued investment and prioritization.

With a legacy like this, I can't wait to see what the next 25 years will accomplish and the positive difference it will make in Kentucky. It's a privilege to lead KOAP and witness history every single day. 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 role. I deeply appreciate my family and parents, Willie and Lauralene Reed, for their support and guidance. Above all, I give thanks to my Lord and Savior, Jesus Christ, for His direction, empowerment, and patience. Blessings in abundance! In God We Trust!



Brandon Reed
Kentucky Office of Agricultural Policy
Executive Director



Cultivating Change

25 Years of the Kentucky Agricultural Development Fund

Recognizing the leadership of Board Member Wayne Hunt and the continued dedication of KOAP team members Bill McCloskey and Bill Hearn.

Since 2000, the Kentucky Agricultural Development Fund has promoted the diversification of Kentucky agriculture by stewarding dollars from the Tobacco Master Settlement Agreement (MSA). The MSA resolved lawsuits against the tobacco industry related to health care costs associated with smoking requiring tobacco companies to pay settling states, including Kentucky, billions of dollars in annual installments based on cigarette sales.

In Kentucky, tobacco led the way as the top cash crop for many years. After the MSA and the tobacco buyout brought about by the Fair and Equitable Tobacco Reform Act, there were many curiosities for Kentucky's agricultural future.

Kentucky's answer was the Kentucky Agricultural Development Fund (KADF), and now, 25 years later, it continues to lead the way strengthening the diverse agricultural landscape. The KADF provides funding for proposals that diversify and increase net farm income for agricultural producers across the state, including finding new ways to add value to Kentucky agricultural products and exploring new opportunities benefiting Kentucky farms now and in the future.

KADF is administered by the Kentucky Agricultural Development Board (KADB). After a few years, the

KADB funded the Kentucky Agricultural Finance Corporation (KAFC) to provide capital access for agricultural diversification and infrastructure projects. Using KADF dollars, the KAFC strengthens Kentucky agriculture by providing access to low-interest loan programs through joint partnerships with local lending institutions. Through the years, its lending practices have allowed the funds to grow, providing even more loan opportunities for Kentucky producers.

The Kentucky Office of Agricultural Policy (KOAP), a division within the Kentucky Department of Agriculture, provides staff support to the KADB and KAFC boards by overseeing the investments of each board into diversifying and supporting Kentucky agriculture.

While agriculture is continuously cultivating a new path, the support and resources within the industry's community remain an encouraging constant. In the 1990s, tobacco once accounted for nearly 24 percent of the distribution of Kentucky agricultural cash receipts. However, by 2024, Kentucky agricultural cash receipts pointed to diversification as tobacco accounted for an estimated 2.4 percent.

From its beginning, the KADB has remained committed to both the near-term and long-term vision for agricultural success. What was once a plan is now a



reality that continues to develop and create impact for the Kentucky farmer through agricultural diversification. From economic growth to direct producer benefits, the KADB and KAFC have been proactive to connect and advance agriculture forward across the state.

According to the 2000 Near-Term Comprehensive Plan for Agricultural Development, KADB knew it would have to identify new markets and new value to Kentucky's growing system. The plan states, "Given the relative scale of production in Kentucky agriculture, it will be necessary to aggressively seek ways to add value to Kentucky farm products, identify new and emerging opportunities for Kentucky farmers, and stimulate new and expanded markets for Kentucky agricultural products."

The current reality of the KADF shows the efforts that have come together to accomplish many successes. All 120 Kentucky counties have been impacted through these funds with the goal of continued progression.

The 2000 Near-Term Comprehensive Plan for Agricultural Development also states, "This new farm economy will provide safer, fresher, and more nutritious food supplies to the citizens of the Commonwealth and across the globe. The tobacco settlement provides a historic opportunity to begin taking the steps to make such a vision the reality in the Kentucky of the 21st century."

"The Kentucky agriculture community can be proud of the solid foundation of resources that has been established to support future investments that will benefit many farm family generations," KOAP Deputy Executive Director Bill McCloskey said.

SILVER CELEBRATION

On June 20, 2025, KOAP kicked off its 25th silver anniversary with a KADB/KAFC Joint Board Meeting at its original meeting location - the Kentucky Historical Society in Frankfort. The joint board meeting marked a time to reflect and commend the rich and vibrant history of this board, the office, and its purpose. It was a day marked by storytelling, lessons, and a resilient group of agriculturists who continue to move agriculture forward.

Wayne Hunt, CEO of H&R Agri-Power and board member of both the KADB and KAFC, has been dedicated to moving agriculture forward since 2000. Hunt, with his many cares and considerations for Kentucky agriculture and its community, has witnessed the vision of the fund be implemented as projects have presented opportunity. Hunt has watched history unfold and growth flourish.

"This money looked like it was going to be different," Hunt said. "You could make a difference, but we had to be pretty defined how we were going to do it. I had no idea it would ever turn out like it did. It has returned more money than anything back to the farmers."

The KADF has sought ways to make a difference during the past 25 years. This work has been accomplished with the dedicated work of eight executive directors, five Kentucky governors, five commissioners of agriculture, KADB and KAFC board members, and many individuals looking to diversify and enhance agriculture. The fund has stewarded billions of dollars and continues to create means and ways of keeping Kentucky ahead.

"This money's going to enlarge agriculture," Hunt said.



MASTER SETTLEMENT AGREEMENT FUNDS (MSA) FROM TOBACCO COMPANIES

Fiscal year 2025 (ending 6/30/2025)

\$ 100,378,902

\$22,148,900

is subtracted for debt service on
rural water and sewer lines.

\$400,000

is subtracted for compliance
at state level.

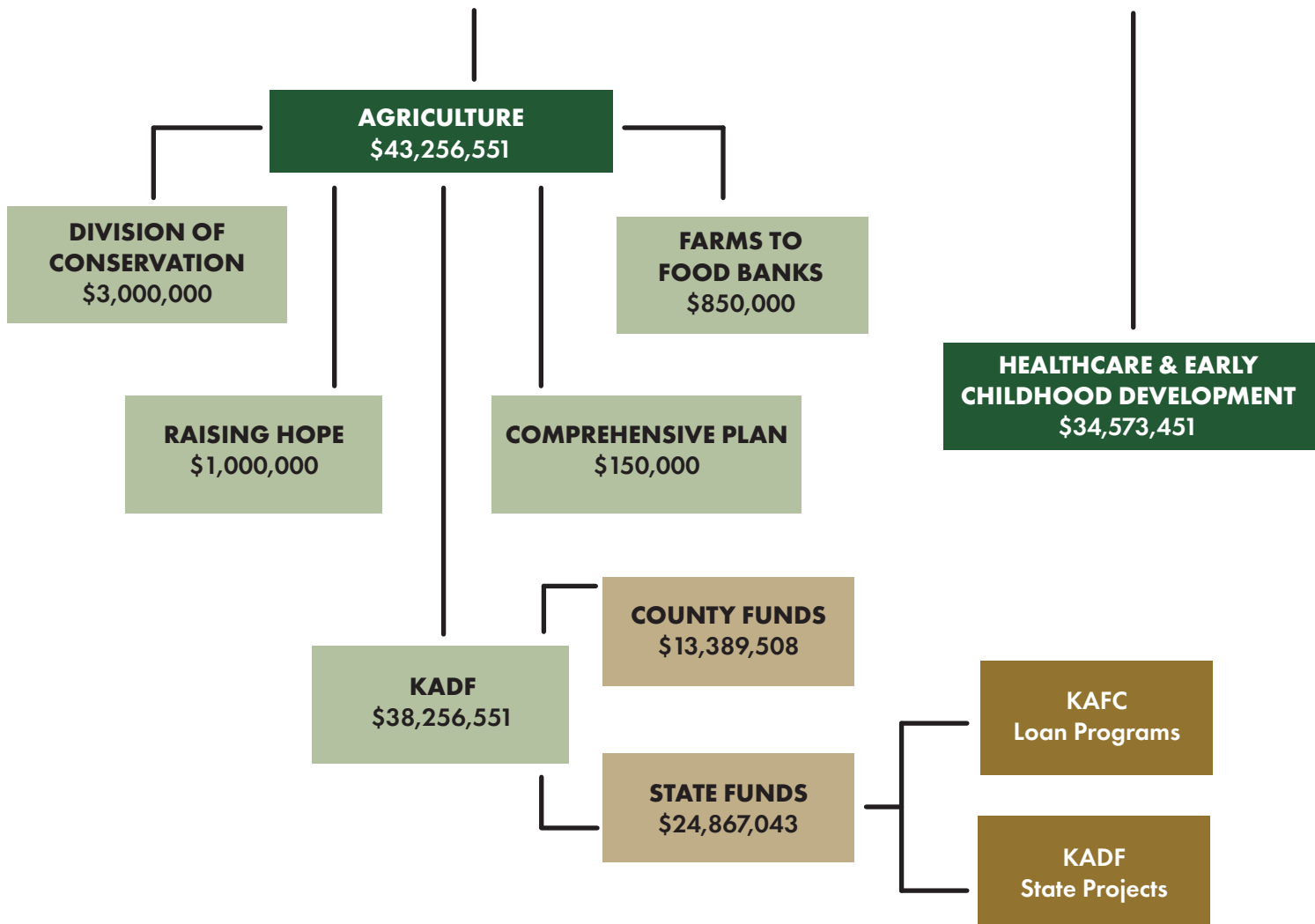
\$77,830,002

MSA Dollars Appropriated to:

KADF (Kentucky Agricultural Development Fund)

ECDF (Early Childhood Development Fund)

HCIF (Health Care Improvement Fund)



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

Jason Howell (S), Co-Chair
 Michael Sarge Pollock (H), Co-Chair
 Myron Dossett (H), ex officio
 Cassie Chambers Armstrong (S)
 Keturah J. Herron (S)
 Aaron Reed (S)
 Craig Richardson (S)
 Robin L. Webb (S)
 Daniel Fister (H)
 Erika Hancock (H)
 Kim King (H)
 Shawn McPherson (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. Laura Stephenson

*Dean of 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

Laura Sanderfur | Ohio County

Representing farmers with ag diversification

Kevin Fields | Madison County

Representing active farmers

Al Pedigo | Allen County

Representing grain, tobacco, and cattle farmers

Heather Graham | Wolfe County

Representing active farmers

Neil Denton | Ballard County

*Representing livestock, grain and tobacco, hay and
forage farmers*



KENTUCKY AGRICULTURAL DEVELOPMENT FUND

FINANCIAL STATEMENT

Fiscal Year 2025 (Ending 6/30/2025)

	STATE	COUNTY	TOTAL	INDIVIDUAL COUNTY ACCOUNTS
BEGINNING CASH BALANCE	\$55,422,075	\$0	\$55,422,075	\$17,407,116
CASH RECEIPTS				
Annual MSA Payment	\$25,017,043	\$13,389,508	\$38,406,551	\$13,389,508
Interested earned off - Budget County Accounts				\$554,713
TOTAL CASH FY25	\$80,439,118	\$13,389,508	\$93,828,626	\$31,351,337
TOTAL CASH EXPENDITURES	\$58,372,916	\$13,389,508	\$71,762,424	\$17,042,855
ENDING CASH BALANCE	\$22,066,202	\$0	\$22,066,202	\$14,308,482

AGENCY RECEIPT ACCOUNT

Beginning Cash Balance	\$174,475
Cash Expenditures	\$14,900
Ending Cash Balance	\$159,575





The Kentucky Agricultural Development Board (KADB) approved **272 projects** and programs totaling **\$32,939,784** in state and county funds during the 2025 fiscal year.

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.

7 **\$22,487**
Projects Approved

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 2025. 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.

46 **\$15,548,097**
Projects Approved

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

13 **\$511,579**
Projects Approved

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.

28 **\$231,789**
Projects Approved

COUNTY LEVEL PROGRAMS

County Agricultural Incentives Program (CAIP), which offers 11 incentive 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.

99

Counties Participated

\$15,383,896

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.

21

Counties Participated

\$246,813

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 been engaged in an agricultural operation for a minimum of three years.

5

Counties Participated

\$195,000

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.

9

Counties Participated

\$157,120

Total Invested

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

30

Counties Participated

\$643,003

Total Invested

Bracken County CAIP



Bracken County's history is deeply rooted in tobacco. That history continues to help support agricultural diversification operations throughout the county with the County Agricultural Incentives Program (CAIP). In 2024, the Bracken County Conservation District was approved for \$332,500 to administer CAIP in the county.

Meghanne McClanahan, the Bracken County Conservation District administrative secretary and CAIP administrator for the county, has seen many applicants and operations benefit from CAIP funds. For seven years, she has been with the Bracken County Conservation District and has administered CAIP for three years.

"I love being able to bring money into the county for our producers and make improvements and diversify their operations," McClanahan said.

With many annual applicants, farmers in the community benefit from CAIP through varying incentive areas. John Goeke was able to use CAIP funding this year to add a kidding room for his show goat breeding operation. Bart Hamilton purchased an additional head chute and scale to weigh and work his cattle more efficiently. Additionally, Todd Klaber used CAIP funding for the improvements to the paddock of his working area and head chute on his cattle farm. Mark Robke is another farmer who utilized CAIP funds this year for feeding facility improvements as he added fence line feeders and a tire system to help with the drainage of his feeding area.

Through the cost-share assistance provided by CAIP, farmers in Bracken County have improved efficiency and

"It's improved our relationships with our producers."

- Meghanne McClanahan

management practices in a variety of ways. From facilities to fencing and livestock to technology, CAIP brings enhancements in many forms.

"It's improved our relationships with our producers because you get to see them more," McClanahan said. "You get to hear about what they're doing and help them make connections."

Left: Cattle producer Bart Hamilton stands beside his CAIP-funded chute and scales, which improve herd management during cold months.

Top right: Bracken County farmer Mark Robke installed an innovative tire drainage system around feeding areas with support from CAIP.

Bottom right: Generational cattle farmer Todd Klaber and CAIP Administrator Meghanne McClanahan stand beside Klaber's new cattle working area and head chute.

Campbell County CAIP

Previously opting for a two-year rotation on accepting applications, Campbell County Agricultural Incentives Program (CAIP) is now excited to offer the program applications every year. Campbell County receives at least \$30,000 from the Tobacco Master Settlement Agreement and through the Kentucky Agricultural Development Board's State Support to Limited Allocation Counties Initiative. Campbell County previously administered the program every other year with the idea of using two years of funding to award more producers. But that's now changing, and Patti Dischar, Campbell County Conservation District manager and CAIP administrator, sees an opportunity in the shift to annual applications for new farmers not being halted on receiving funds for innovative projects.

"It is more valuable to administer CAIP funds every year because people are going to utilize it without having to wait," Dischar said.

Campbell County's CAIP focuses on opportunities for local farmers and producers. This is translated through the change of application frequency and the educational programs offered through the county extension office.

"We have an awesome partnership here with Campbell County Extension and Campbell County Conservation," said Michelle Simon, Campbell County Cooperative

Extension Agent for Agriculture and Natural Resources.

During Dischar's time as an administrator, she has witnessed how CAIP funds and the educational aspects are benefiting several types of operations in this northern Kentucky county.

"As an administrator, there's satisfaction of going out and seeing the producer's completed projects," Dischar said. "Every project is so different."

Swine might not be the first thought that comes to mind when thinking of types of operations that utilize CAIP funds, but for the Webster family, CAIP funding has allowed the dream of a young showman's passion for breeding hogs to become a reality. Ten years ago, when young Mitchell Webster expressed interest in showing pigs, his mother, Tammy Webster, gave the green light for a show pig operation on their farm. Through the years, the operation grew significantly and expanded in breeding and farrowing their own sows. Some of their success in breeding and selling swine can be accredited to funding from Campbell County CAIP for a grant for swine semen for breeding.

"The application process is pretty simple, and the district notified me just in time for breeding the sows," Tammy said.

Right: Tammy Webster (right) stands with Campbell County CAIP Administrator Patti Dischar. CAIP funds helped the Websters purchase boar semen to breed sows.



Chaney's Dairy Barn

Extra scoops twice as fast!

Chaney's Dairy Barn in Bowling Green is oddly growing and gathering its community together. Since 2003, the Dairy Barn has served sweet and delicious ice cream and milk from its Jersey cattle herd. With deep roots in agriculture, Carl Chaney and his family, the owners of Chaney's Dairy Barn, have farmed for nearly 140 years and been in the dairy business for 85. As time grows, so does the successful sweetness of the family's service and operation.

"I'm a dairy farmer," Chaney said. "We're really fortunate here. Our family started farming here in 1888. Dad started milking cows here in 1940. We put in a robotic milker in 2016, so now our cows are milked with a robot."

As lines got longer and space became more limited, Chaney's underwent the first expansion of the Dairy Barn in 2008. This provided additional seating areas and added kitchen space. Over the years there was a continued need to bring more customers together in a larger space. Brainstorming began and the idea of the newest expansion came to life.

"We decided to open it up, give it more space, and so now we have two ice cream dipping cabinets on both sides," Chaney said. "When we're busy, we open up both sides, and we can really push people through it and it gives them a better customer experience."

To help with the expansion of the current building, Chaney's Dairy Barn was approved for \$50,000 in Warren County Agricultural Development Funds and a \$250,000 participation loan through the Kentucky Agricultural Development Fund. The expansion adds an additional 10,000 square feet to the facility and will allow Chaney's to effectively accommodate tour bus groups. The expansion doubles the freezer space and adds a tempering walk-in freezer. The ice cream production space will be three times its current size and include a viewing window for guests. Additionally, the dining area will have a capacity of 50 people, and an outdoor seating area will be built.

"It's really cool because people can come in, they can watch the ice cream being made, and they can get ice cream," Chaney said. "And then, in the back of the house we have coolers, freezers, and more storage areas, a great big back porch, and a silo. It's just been fantastic with the way it's opened things up."



Top: Carl Chaney, owner of Chaney's Dairy Barn, blends agritourism and the dairy industry by offering a space to enjoy ice cream, gain knowledge, and savor other treats. Behind him is the new Dairy Barn addition, designed for efficiency and quality customer service.

KCARD

Kentucky Center for Agriculture and Rural Development

The Kentucky Center for Agriculture and Rural Development (KCARD) operates as a nonprofit organization committed to strengthening rural communities and agricultural enterprises throughout Kentucky. By offering hands-on business planning, educational programming, and strategic support, KCARD helps emerging and established agribusinesses grow and thrive.

"When there has been a need, we've either stepped up or we've helped find the right people to step up," said KCARD Executive Director Brent Lackey, who has been with KCARD for 19 years.

Funding for KCARD's initiatives primarily comes from the USDA's Rural Cooperative Development Program and the Kentucky Agricultural Development Fund (KADF). Additional resources are secured through collaborations with statewide partners and by providing other paid services.

Since 2001, KCARD has worked diligently to be a trusted resource to

help others make informed decisions by providing guidance through numbers, facts, feasibility studies, and business plan development. Two of the groups it has continuously helped serve are KADF and the Kentucky Agricultural Finance Corporation (KAFC) by providing guidance and support to applicants. KCARD was one of the first projects funded by KADF and together they have and continue to assist Kentucky agriculturalists in meaningful ways.

"KCARD has become the premier technical assistance provider for the agriculture community working with a range of startups to expansion projects on the farm or agribusinesses," KOAP Deputy Executive Director Bill McCloskey said.

As partnership continues, KCARD is excited to be taking on a new role leading the KAFC Mentor Program for the Beginning Farmer Loan Program and the Diversification through Entrepreneurship in Agribusiness Loan Program.

"Our partnership has continued to grow," Lackey said. "The mentor program and them supporting us doing transition planning is really them looking to us to trust us for the next evolution as KCARD continues to grow that partnership."

Lackey is excited to form deeper relationships with the KAFC board in the coming years as this program develops. KCARD plans to bring intentional awareness to the resources for producers and businesses as it assists in the new mentorship role. KCARD has reached many corners of the Commonwealth as it has worked with all 120 Kentucky counties and last year assisted 750 clients. Eighty-two percent of the businesses it has worked with are still operating. Lackey says KCARD is looking forward to working with farmers through the KAFC/KCARD Mentor Partnership Program.

"I think there's going to be several that really benefit from having an additional person they can call and vet with answers and issues on their farm," Lackey said.

Left: KCARD supports individuals, cooperatives, and agricultural businesses in growing and strengthening their operations. Pictured are KCARD staff who help facilitate these efforts. Right: KCARD Business Development Specialist Kellie Padgett and Marketing and Business Development Specialist Kati Bowman present on hiring in agritourism operations at the 2025 North American Farmers' Direct Marketing Association Conference.



2025 ANNUAL REPORT | KOAP

Kentucky Value Chain Collaborative



Western Kentucky Value Chain Coordinator, Brandi Button-Johnson, and The Food Connection Executive Director, Ashton Potter, have pioneered the Kentucky Value Chain Collaborative and continue to serve local food systems.



Western Kentucky Value Chain Coordinator, Brandi Button-Johnson, met with the Haebegers to discuss market opportunities through the Local Food Purchasing Assistance (LFPA) program.

When the Kentucky Agricultural Development Fund (KADF) was created in 2000, the goal was to diversify and provide opportunities for Kentucky agriculture. KADF grants help bring goals to life for many agricultural projects across the state. Ashton Potter, executive director of The Food Connection at the University of Kentucky (UK), had an idea for a center that was a bridge between producers and potential market opportunities. KADF made this vision a reality.

Many farmers face challenges accessing reliable markets for their products, limiting their ability to grow and sustain their operations. The Kentucky Value Chain Collaborative (KYVCC) is designed to be a bridge to alleviate this burden.

"There was really this missing link in [the agriculture industry] in terms of a market matchmaker, and we are really excited to be able to fill that," Potter said.

The Food Connection at UK came to fruition when the university decided to outsource its dining service to Aramark. Questions arose about what should be included in the new food service contract, especially for a land-grant university.

"One thing that came to the forefront was that a land-grant [university] should be supporting the farmers within its state," Potter said.

Because of this, the new dining service had performance indicators stipulating a certain amount of Kentucky grown and Kentucky business impacted food be purchased each year. Aramark agreed to this contract, but as a global food service company it was unsure how to cultivate customer relationships with Kentucky producers. To aid with Aramark's contractual obligation, UK's Martin-Gatton College of Agriculture, Food, and Environment set aside funds for the Food Systems Institute, which later became The Food Connection. The main purpose was to connect Aramark with Kentucky producers to purchase the local food for UK dining.

Since then, The Food Connection has grown substantially into a diverse center serving Kentucky's economy, community, and producers. The center has several programs inside and outside the classroom and within Kentucky communities. One of these programs includes the KYVCC.

Potter, who was a value chain coordinator for the city of Lexington prior to making the switch to executive director of The Food Connection, began in 2022 and that's when the idea for the KYVCC was put into motion. Potter saw the benefits reaped from the value chain in Lexington and knew it could be recreated under The Food Connection to continue the impact it had on farmers across the state. With partnerships from the UK Cooperative Extension Service and guidance from the Kentucky Center for Agriculture and Rural Development, Potter was able to implement KYVCC.

"The goal of the Kentucky Value Chain Collaborative is to knit together local value chains and better connect local food system stakeholders, farmers, processors, distributors, buyers, and eaters to ensure that we are adding to farm gate receipts for Kentucky producers in a meaningful way," Potter said.

In order to accomplish the goals of the KYVCC, coordinators needed to be hired to create and maintain relationships between farmers and buyers. In 2022, KYVCC was approved for \$400,543 in KADF state funds for the hire of three regional value chain coordinators to cover the eastern, western, and central parts of Kentucky. The coordinators connect producers in their respective parts of the state with market opportunities for their products.

"So much of the job is relationship building and talking to producers about what their goals are," said Brandi Button-Johnson, regional Value Chain coordinator.

Through their connections and relationships with producers, they have impacted many operations across the state in the first two years. KADF has played a substantial role in this success.

"The value chain coordinators have made connections with over 212 farmers and over 100 unique buyers across 80 or more counties and their coordination efforts have yielded at least \$6 million in farm gate impact," Potter said.

The coordinators have seen the direct and indirect impacts the KYVCC has on producers across the Commonwealth. KADF is seeing its original mission of impacting the Kentucky farmer come to life. The vision of KYVCC being a bridge between Kentucky producers and consumers has become a reality for The Food Connection and continues to help Kentucky agriculture flourish.

"We're trying to get more Kentucky grown food into more places," Potter said.

"The goal of the Kentucky Value Chain Collaborative is to knit together local value chains."

- Ashton Potter



Brandi Button-Johnson, Heather Graham, Faye Kuosman, Bryan Chadwell, Ashton Potter, Tanya Whitehouse, and Courtney Bartlett work to expand opportunities for farmers through food safety, culinary development, and markets for heirloom rice.



Farmers in Hart County, Paul and Matt Dennison, and Brandi Button-Johnson at Dennison's Farm and Roadside Market discussing market opportunities.



Brandi Button-Johnson met with Doug and Genelle Jones of Legacy Dairy to discuss market outlets and distribution opportunities for their milk.



Knott County CAIP

The County Agricultural Incentives Program (CAIP) in Knott County has found a bright beginning. Being one of two counties that historically did not have a tobacco base and therefore did not receive funds from the Tobacco Master Settlement Agreement, CAIP has been a new and exciting experience for the Knott County community. In 2020, the Kentucky Agricultural Development Board launched the State Support to Limited Allocation Counties (SSLAC) Initiative allowing Knott County access to CAIP funds.

With large ridges and mountains beatifically arranging themselves across the county, agriculture continues to grow on this unique land. In 2024, the Knott County Conservation District was approved for \$40,000 to administer CAIP. Katrina Conley, the Knott County Conservation District administrative secretary and CAIP administrator for Knott County, said the funds were used to help farmers purchase bulls, and build fences, high tunnels, and greenhouses. Knott County continues to find its connection to agriculture as it sparks creativity and ways to grow and raise fresh local produce and livestock. Some farmers are achieving both of these goals through

hard work and partnership.

Ewe-nique, describes Katheryn Brown's growing sheep herd and farm in Knott County. Brown made the move from Connecticut and started a fresh beginning in agriculture. Brown grows and raises a diverse scope of plants and livestock, from dairy and wool sheep to fresh eggs and produce, she has found her green thumb and is excited to continue learning on her land.

Brown worked with Conley, who helped guide her as she applied and received CAIP funding to go toward the purchase of fencing and additional sheep to add to her herd through this process.

"It was very simple, she helped me through the application," Brown said.

This project is an example of the positive impacts of CAIP funding and how these investments continue to grow agriculture and communities together. From what was once a dream to now raising 23 sheep, Brown is excited to keep growing with aspiring plans to start spinning the wool she shears into new products and maybe even opening her own farm store.

Above: Katheryn Brown has seen excitement and education in action through her experience raising and expanding her first sheep herd.

Mercer County Shared-Use Equipment Program

With no-till farming on the rise in Kentucky, producers are seeking ways to integrate the practice into their operations. Mercer County Conservation District saw this need and decided to take action through the Shared-Use Equipment Program. In 2024, the conservation district was approved for Mercer County Agricultural Development Funds to purchase a no-till drill for producers to rent.

Mercer County has implemented an extensive equipment rental program within its community. Mercer County producers can rent any of the 12 pieces of agricultural equipment the conservation district has available, ranging from no-till drills to post drivers.

"The equipment rentals in Mercer County started in 2001 and have gone through 2025," said Linda Lake, Mercer County Conservation District administrative secretary.

Purchasing larger pieces of farm equipment typically comes with a hefty price tag, a price most farmers can't justify for their operations.

"The big farmers could buy this equipment, but the majority of us can't justify buying a \$33,000 drill to plant a small amount of acreage," Logan Steele said.

Steele is a farmer and retired firefighter in Mercer County who wanted to get involved with his community. He now serves as the Mercer County Conservation District equipment manager, scheduling and delivering the drills for local farmers. Steele has seen first-hand the true impact for the community from something as simple as a piece of equipment.

The Shared-Use Equipment Program in Mercer County reaches all ends of the county and serves many farmers.



Above: Mercer County Conservation District Equipment Manager Logan Steele is pictured in front of a no-till drill within the district's equipment selection for rent, and is being used almost daily for farmers across the county.

Mayfield Farmers' Market



Agriculture has a way of bringing people together, especially in a farmers' market. With access to fresh fruit, vegetables, and other agricultural products, revamping the farmers' market was the perfect start to gather the Mayfield community after a devastating tornado. With investment from the Kentucky Agricultural Development Fund (KADF) and Pilgrim's Pride Poultry Company, the city of Mayfield has constructed a new pavilion to host its weekly farmers' market.

In 2021, Kentuckians' hearts were broken after seeing the tragic aftermath of a tornado that left a detrimental impact on downtown Mayfield. Many buildings, businesses, and homes were destroyed, including all municipal buildings. The people of this Western Kentucky town were left devastated, but not ready to give up on bringing that sense of community back.

The first sign of hope occurred the night of the tornado when residents arrived with tractors and other farm equipment to remove debris and the ruins that made up downtown Mayfield. Soon after, the Hometown Improvement and Rebuild Mayfield projects were started to begin a new mission: rebuilding downtown. Jill Celaya, head of Rebuild Mayfield, knows that Mayfield will soon have a downtown area of which to be proud.

"This is going to be a whole new Mayfield," Celaya said.

The Rebuild Mayfield board started by hosting a meeting for the community. According to Jodie Hansen, committee chair within the Rebuild Mayfield project, the board hosted its "famous sticky note meeting." The roughly 500 community members in attendance were asked to write down their dreams for the new downtown business district on a sticky note. An overwhelming majority wrote, "a place to gather." The board ultimately decided to undertake the first rebuild project and task of creating a new "gateway" to the future downtown business district. That "gateway" came in the form of a new farmers' market space.

As they started rethinking the new business district, the Rebuild Mayfield board members wanted the farmers' market pavilion to be the "heart of rebuilding downtown," Hansen said.

As the planning and construction got underway, the board was met with several challenges. Board members had to rethink designs, face location changes, and



Right: Farmers' market board member Ron Conyea, head of Rebuild Mayfield Jill Celaya, and committee chair within Rebuild Mayfield Jodie Hansen, stand in front of the new farmers' market structure that started the era of rebuilding and growth for the community of Mayfield.

ensure funding and willpower were available throughout the process. Despite the obstacles they faced, the grand opening in July 2025 proved that Mayfield has begun to bounce back.

"Mayfield is a town fueled by resilience," Hansen said.

Many vendors expressed excitement for the new gathering space, looking forward to the convenience and community it will bring. Previously, the farmers' market was in the park where each vendor provided his or her own pop-up canopy tent. Along with this, Graves County had multiple smaller farmers' markets. There was never a permanent place for producers and community members. Now, thanks to KADF, Pilgrim's Pride, and the resilience of Graves County citizens, a new Mayfield is being brought to life through agriculture and community.

Celaya is hopeful for the future of Mayfield and is ready to see a new place of gathering for the once destroyed community.

"This isn't just a farmers' market, it's something that's going to bring our entire community back together," Celaya said.



"Mayfield is a town fueled by resilience"

- Jodie Hansen

Orlinda Melon Company

With melons from Miami to Maine, Orlinda Melon Company has grown in its market connections and crop diversification.

Cousins, Willis Jepson and Bill Pearson, own and operate the Orlinda Melon Company in Simpson County and farm in the surrounding middle Kentucky and Tennessee areas. Today, Jepson and Pearson each have their own farming operations with their immediate families. But their ancestral families' farming tradition in the Simpson County and middle Tennessee area goes back more than 200 years to 1806.

With a rich history in agriculture, the family has raised tobacco, corn, livestock, and a variety of row crops and produce for many years. Recently, they diversified their operations with

watermelons and pumpkins. The family has grown watermelons for eight years and has seen growth with each year of the crop. They are currently growing 350 acres of melons and 450 acres of pumpkins.

With diversification came new facilities and storage practices. Produce has a limited shelf life and ensuring quality into America's food system requires detailed measures. In 2024, Orlinda Melon Company was approved for \$2,968 in Simpson County Agricultural Development Funds matched by \$2,968 Kentucky Agricultural Development Fund (KADF) state funds to purchase a 38-square-foot produce cooler.

The cooler has assisted with the pulp temperature requirements from

grocery stores and alleviated some of the additional freight charges. KADF continues to serve many agriculturists looking to diversify or enhance their operations.

Between the cousins, Pearson and Jepson have five sons who plan to farm and continue with the family legacy.

"It's a big deal to us, especially being able to hold on to the land we've had for hundreds of years," said Wyatt, Pearson's oldest son. "We have farmed the same land for eight generations."

"At the end of the day, [KADF] all comes back to serving a community of farmers across the state to make agriculture improve agriculture and the agriculture outlook for all producers," Jepson said. "It's a good program."

Below Left: Willis Jepson of Orlinda Melon Company stands at the company's packing facility in Simpson County where watermelons can be shipped to most areas of the Eastern Seaboard in 10 hours or less.



In 2024, the Metcalfe County Conservation District was approved for \$254,000 to administer the County Agricultural Incentives Program (CAIP) in Metcalfe County. With rolling hills and flat bottomlands, agriculture plays a large role in the Edmonton community, bringing many opportunities to grow and raise a wide variety of crops and livestock. Lasasha Grissom, Metcalfe County's Conservation District administrative secretary and CAIP administrator, has seen a diverse and expanding variety of CAIP applicants in her community being positively impacted by the program.

"This is a big farming community," Grissom said.

Grissom, who grew up in Metcalfe County on her family's tobacco and cattle farm, has been with the Metcalfe County Conservation District four years and said the program continues to grow.

"It's been great," Grissom said. "I get to learn more about each producer and their needs in the county, and about countywide needs. As far as what the CAIP program brings in and how it benefits the producers in Metcalfe County, I can say it's made a huge impact. Metcalfe County has quite a few applicants. We usually have around 200 every year. We can't always fund that many, but we always get a huge number because people love this program. It's great to get to know the individuals and work with them, learn a little bit more about them, and build this kinship."

Shannon Fields, a Metcalfe County native and CAIP recipient, has seen the direct and continuing benefits of this program. CAIP has helped to fund several projects on the farm where Fields and her husband have raised cattle and hay for nearly 20 years.

"As a young couple, we grew and started out with a regular fence and then we went to woven wire," Fields said. "That was one of our first CAIP projects. We also did a corral to get the cows up to give them their shots and spray and we did that probably five or so years ago. My husband wanted to start putting hay in a barn to preserve it. So, then we did the hoop barn last year. We keep revamping trying to make things better. We did the cow feeder last year and he loves it because it saved him a lot of hay."

CAIP brings enhancements in many forms and creates a direct impact for many local farmers and producers with the partnership of the Kentucky Agricultural Development Fund and CAIP administrators, just like Fields' partnership with Grissom.

"She's always there, willing to help," Fields said.

Metcalfe County CAIP



Shannon Fields (left) and Lasasha Grissom (right), through their trusted partnership, have brought new enhancements to Fields' farm over time, including a hoop barn and cow feeder.

Locals Food Hub & Pizza Pub



Growing up on a farm in Metcalfe County, Birch Bragg, owner and operator of Locals Food Hub and Pizza Pub, was captivated by the field and the fruit it produced. After graduating from Western Kentucky University, Bragg embarked on finding his own slice of passion, with a few moves and new ideas, he found his way back to the farm.

"I always loved to cook, but had never produced myself," Bragg said.

With passion and planning crossing paths, the idea of Locals was born in February 2021 and its first location opened in Frankfort in July 2021.

"Food has always been my passion and the problem I wanted to address," Bragg said.

"We essentially have two businesses under one roof," Bragg said. "We have a grocery store operation and on the other side we have a restaurant, prepared food operation. At the end of the day, we

want to support farmers by creating additional markets for their goods and buying more of their products. At the same time, we want to take that food and make it more available to everybody in the community."

With growing success and a heart to continue the business model of serving local producers and communities, Bragg started looking for a new location to expand and partners to help make this dream a reality. With the help of the Kentucky Agricultural Development Fund (KADF), the Kentucky Agricultural Finance Corporation (KAFC), and other supporters, the expansion became possible.

In 2023, Bragg was approved by the Kentucky Agricultural Development Board for \$200,000 in multi-county funds matched by state funds to purchase kitchen equipment necessary to create a large-scale value-added processing program at its second location in Louisville, which opened in

October 2024.

"What seemed intimidating in the beginning — trying to raise those funds in a year, after driving to over 15 counties and 11 of them funded us — it was really cool getting to meet with their county councils and members," Bragg said.

"It was also neat, internally, to go through the numbers and see the producer impacts from each."

"KAFC is a huge asset to what we are trying to do in this state," Bragg said.

Through the partnership of KAFC and Metropolitan Business Development Corporation (METCO) in the Louisville Metro, Bragg received a \$200,000 loan as part of the Diversification through Entrepreneurship in Agribusiness Loan Program, approved at 2.75 percent interest, to help with the expansion.

"Having access to these resources is hard to overstate how important that is for a small, local, mission-driven

Above: Birch Bragg, owner and operator of Locals Food Hub and Pizza Pub, creates delicious products with his pizza oven and kitchen equipment in less than 90 seconds.



business like us to help make this a reality," Bragg said.

This project is a testament of how the KADB and KAFC slices and divides the pie to help "feed" more Kentucky agriculturalists.

"I think this is just one example of how Kentucky is really ahead of the field nationwide when it comes to supporting its farmers and the local food and diversified agriculture capacity," Bragg said. "It's a really important thing."

At the heart of a product or plan are people. With the expansion of Locals brought a business aiming to bring nutritional enhancement and accessibility to the Louisville Smoketown community.

With Supplemental Nutrition Assistance Program (SNAP) accessibility and the Kentucky Double Dollars, a project of Community Farm Alliance, funded through KADF, Bragg said Locals is working toward making

local food a reality for everyone.

"And, you know, that's the whole idea," Bragg said. "We want to take local food and make it everyday food for people."

Kentucky farmers and producers work diligently to produce valuable and nutritious products. Locals continues to see the value of producers' dedication as it intentionally sources and supplies ingredients and items from many operations throughout the state.

"When we say locally sourced, we heavily mean that," Bragg said. "We have purchased, between the grocery store and the restaurant, over \$1.9 million at this point from 225 Kentucky producers across 58 counties. That's the range of impact we continue to make month after month."

From one restaurant to two, 25 employees to now more than 50, and 120 to 225 Kentucky producers, Locals continues to grow and support local

"We want to take local food and make it everyday food for people."

- Birch Bragg

communities, local producers, and local food.

KADF works to ensure and encourage agricultural growth and development across the Bluegrass from value-added equipment to a slice of pizza, Kentucky continues to divide the pie in meaningful ways.

"By helping an operator like us get open and get in business, the level of product that we purchase from local producers means that those dollars will be amplified again, and again, and again in our local farming community in the future," Bragg said.

Top Left: Local's Food Hub and Pizza Pub restaurant front in Louisville; thoughtfully designed to promote community and local agriculture.

Above Right: Local's store front cooler section is regularly stocked with fresh produce delivered by farmers in surrounding counties for public purchase.

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

Michael Cochran | Hardin County
Representing livestock farmers

Linda L. Rumpke | Fayette County
Representing commercial lenders

Wes King | Fayette County
Representing horticulture farmers



Kentucky Agricultural Finance Corporation

FINANCIAL STATEMENT

Fiscal Year 2025 (Ending 6/30/2025)

BEGINNING CASH BALANCE	\$25,394,413
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CASH RECEIPTS

Principal	\$15,180,164
Interest earned on loans	\$2,436,832
Interest earned on cash	\$1,909,732
Other (Grants, Transfers)	\$43,884,638

TOTAL CASH	\$63,411,366
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TOTAL CURRENT YEAR RECEIPTS	\$88,805,779
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CASH EXPENDITURES

Loans Disbursed	(\$35,136,998)
Refunds	(\$0)

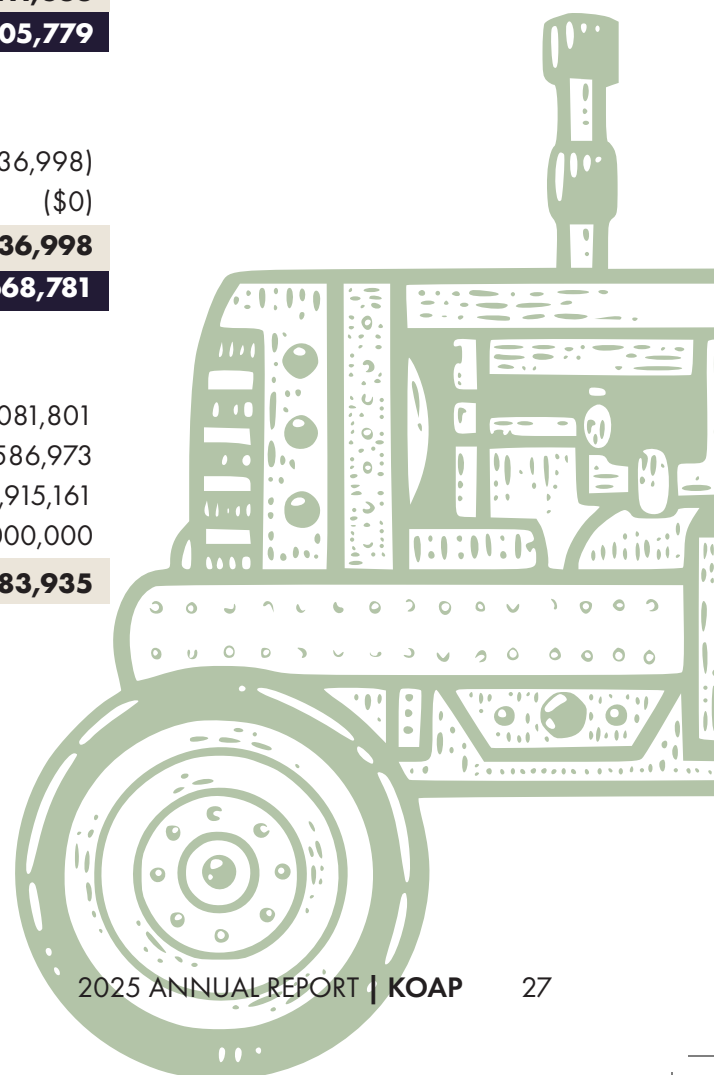
TOTAL CASH EXPENDITURES	\$35,136,998
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ENDING CASH BALANCE	\$53,668,781
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ESSENTIAL OPERATING DATA

Loans Approved Not Disbursed	\$19,081,801
Funds Uncommitted	\$14,586,973
Accounts Receivable	\$128,915,161
Hold/Invest	\$20,000,000

TOTAL ASSETS	\$182,583,935
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KAFC LOANS FOR FISCAL YEAR 2025



Kentucky Agricultural Finance Corporation

loan programs use state funds intended for regional or statewide, multi-county, multi-producer projects. 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 up to \$250,000, 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:



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 operations.

48
Loans Approved

\$7,488,431
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.

3
Loans Approved

\$680,000
Total Amount

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.

117
Loans Approved

\$22,942,810
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.

5
Loans Approved

\$1,060,000
Total Amount

Andrew & Maggie Simpson

BFLP



Andrew and Maggie Simpson, farmers in Madison County, saw an opportunity for agritourism in their hometown and a need for the public to learn about the agriculture industry. Andrew saw and bought a piece of property at auction with the vision of a country store for his meat sales, an event barn venue, and a cut flower operation. Working with Chris Cooper at Central Kentucky Ag Credit, Andrew was able to participate in the Kentucky Agricultural Finance Corporation's (KAFC) Beginning Farmer Loan Program (BFLP) to make those dreams become a reality.

Andrew didn't have the typical background of farmers within the BFLP. He didn't grow up on a farm, but his wife did. This led to Andrew starting to gain his own agricultural experience on his father-in-law's tobacco and cattle operation.

"My father-in-law was looking for day hands and [I] got volunteered for the job," Andrew said.

This grew Andrew's love for the agriculture industry and his passion for wanting to be a part of the community. When he and Maggie married, they started a cattle operation with a vision to one day focus more on community and agricultural education. His inspiration came from a Kentucky Farm Bureau agriculture social media class. Andrew was hesitant to attend but learned valuable lessons that are applicable to his future business.

"Anytime you can showcase on Facebook or Instagram what you do on a daily basis, and how you care for the land and animals, it helps bridge that gap," Andrew said.

He hopes to implement this same way of thinking, but in a larger, more hands-on approach with school field trips.

"We are really going to cater to education and we're going to work with our agriculture agent," Andrew said.

Madison County Cooperative Extension Agent for Agriculture and Natural Resources and mentor to Andrew, Brandon Sears, sees promising potential in a future partnership between Madison County Cooperative Extension Service and the new agritourism location. Sears is ready for the opportunity to further agriculture education in their community.

"Eventually, the property will offer a meeting venue for outreach programs and classes from UK Extension and other groups," Sears said.

Through the Simpsons up-and-coming agritourism location made possible by the KAFC, they are working hard to bridge the gap between farmers and the public.

"The public seems like they want to learn," Andrew said.

Above: Chris Cooper of Central Kentucky Ag Credit and Andrew Simpson, Madison County farmer, stand in front of Simpson's newly purchased barn that will be renovated into an event venue.

Brandon & Rachael O'Connor BFLP

Brandon and Rachael O'Connor, cattle farmers in Madison County, want to create a legacy and livelihood for their boys, Jayden and Colton. The first step to making this dream a reality was purchasing a farm.

"At the end of the day, our primary focus is to have something for them," Rachael said.

To purchase the land, the O'Connors applied for the Beginning Farmer Loan Program (BFLP) through the Kentucky Agricultural Finance Corporation (KAFC) in partnership with Central Kentucky Ag Credit. The O'Connors were supported throughout this process by Chris Cooper, their lender at Central Kentucky Ag Credit, their BFLP mentor and Madison County Cooperative Extension Agent Brandon Sears, and KAFC.

"Chris, he was right with us the whole time," Brandon O'Connor said.

"Every beginning farmer that has success helps us get more involvement in agriculture from the next generation which is desperately needed," Sears said. "We need beginning farmers who will enter the industry to keep it diversified and will bring new ideas."

Through guidance and partnership, the O'Connors purchased 45 acres for their cattle herd and growing operation in February 2025. The family plans to build and live on the property long-term. They have recently begun dirt work for a home, pond, and farm working facilities.

"We want to build," Brandon O'Connor said.

With the help of KAFC, Central Kentucky Ag Credit, mentors, and their family, Brandon and Rachael have the family business and farm they always hoped to establish. The goal is to make this land and property as self-sufficient as possible. The positive impact of the BFLP continues to grow. The program enhances the experiences of beginning farmers across the Commonwealth.

Jayden O'Connor, the oldest of the O'Connor brothers, is excited about the family's growing farm.

"It's my favorite place to be every single day," Jayden said.



Reiss & Erica Baxter BFLP

Mercer County farmers Reiss and Erica Baxter own two businesses and run a cattle operation. Reiss grew up around his grandpa's farm and Erica was surrounded by the industry and now teaches agriculture. Because of this, they wanted to ensure they stayed involved in production agriculture and decided to start a farm as a family.

The Baxters were looking to expand their cattle operation and found the perfect property. They purchased their second piece of land with a participating loan through the Kentucky Agricultural Finance Corporation (KAFC) and Farm Credit Mid-America. Reiss is a two-time Beginning Farmer Loan Program (BFLP) recipient from KAFC. This is a testament to the success and outreach of the BFLP.

Reiss had nothing but high praise for the loan process from start to finish.

"The process was very smooth for us," Reiss said.

The newly purchased farm was once designed to function as a dairy operation prior to the Baxters ownership. While vastly different industries, dairy and beef cattle buildings used in production see an overlap. This has been useful for the Baxters in their beef cattle operation.

Along with the buildings, most of the land is used as pasture for their herd, which typically averages around 120 head. The property purchased started at 93 acres, but Reiss hopes to increase his property and herd in the coming years.

"Our goal is hopefully to expand the farm," Reiss said.

Above: Mercer County farmers, Erica and Reiss Baxter are excited to continue deepening their roots within the agriculture industry as a family. Left: Pictured at the new O'Connor farm from left to right: Hannah Sharp-Johnson (KOAP), Chris Cooper (Central Kentucky Ag Credit), Jayden O'Connor, Colton O'Connor, Rachael O'Connor, Brandon O'Connor, and Hunter Jones (KOAP).





Preston Meat Locker

APLP

Until June 2024, Bath County didn't have a start-to-finish meat processing facility. Paul and Lizzie Christner, who are members of the Amish community, saw this need within their community and Bath County as a whole and decided to build the first custom meat processing facility – Preston Meat Locker.

Prior to opening the meat processing facility, Paul was already processing deer for hunters in the community.

"It started with [processing] deer down at the house for three years," Paul said. "I enjoyed working with meat and a lot of people didn't have a place to go with their deer."

When looking to build Preston Meat Locker, the Christners sought funding from Owingsville Banking Company and the Kentucky Agricultural Finance Corporation (KAFC) through the Agricultural Processing Loan Program. Lender, Charlie Kissick, worked closely with the Christners on moving their loan approval through KAFC.

"We spent many hours at their kitchen table going over things and looking at parameters," Kissick said.

Kissick explained that processing facilities in surrounding counties are booked out at least a year in advance. Having this facility in Bath County has allowed more accessibility for local livestock producers.

"Some customers at other livestock processing facilities are putting their name down for a processing date on a calf that hasn't been born yet," Kissick said. "That to me showed there was a need for [Preston Meat Locker]."

KAFC has allowed Preston Meat Locker to provide a much-needed service for livestock producers in Bath County and surrounding areas, and Paul and Lizzie are passionate that their new build will have great success.

Above: The newly built Preston Meat Locker has already been a huge success across Bath County. Right: Perry County farmer, Chad Allen stands by his parents, Yvon and Betty Allen, his daughter, Addison Allen, and Farm Credit Mid-America lender, Eli Mann, ready to share the BFLP with other farmers in his area as a cooperative extension agent.

Chad Allen

BFLP

Perry County farmer and University of Kentucky Cooperative Extension Agent for Agriculture and Natural Resources Chad Allen and his family operate a diverse agricultural operation that includes cattle, bees, and apple trees. To grow his operation at a lower cost, he applied for the Kentucky Agricultural Finance Corporation's (KAFC) Beginning Farmer Loan Program (BFLP) in partnership with Eli Mann at Farm Credit Mid-America.

"Farm Credit being able to help them out and play a small role is a pretty rewarding experience," Mann said.

Allen can attest to the success he's had while working with KAFC and Farm Credit Mid-America and appreciates the benefits of the program.

"The application was so easy," Allen said. "When you can take the 2.75 percent interest rate that was offered by KAFC and then combine it with Eli Mann at Farm Credit Mid-America, that really helps out a lot."

Allen's parents purchased their property in 1970 and are going on 55 years of the family farm. Allen grew up on his family farm and has always shared that passion for agriculture.

Throughout his childhood on the farm and into his adult years as a UK extension agent, he continued to learn valuable lessons in the agriculture industry and decided he wanted to take on his family's farm. While having been involved in the industry on the farm, this is Allen's first time owning a farm. He used the KAFC BFLP loan to purchase his parents' 36 acres. Allen and his family run around 23 head of cattle and enjoy working with UK to better the herd genetics.

The family farm legacy means the world to the Allen family. The legacy will continue to Allen's 11-year-old daughter, Addison, in the coming years.

"Living on the family farm is just something special you can do, to be here with family and be connected with everybody," Addison said.





Holly Nursery & Garden Center

DEALP

Holly Nursery & Garden Center in Marshall County is a diverse business with greenhouses, bird feed, lawn services, dried flowers, and more. Through the Kentucky Agricultural Finance Corporation's (KAFC) Diversification through Entrepreneurship in Agribusiness Loan Program in partnership with First Financial Bank, Holly Nursery & Garden Center's legacy continued through new ownership. New owner and Marshall County native, Ally Thompson, jumped into shaping the business to align with her vision.

Thompson's journey to ownership began as an employee of the original owners, Kenny and Sandy Westfall. She learned everything she could about horticulture and running a business from the Westfalls, who taught Thompson how to manage the business, do invoices, and start plugs for plants they grow in-house. Thompson embraced every opportunity to learn, and when it came time for the Westfalls' retirement, they knew Thompson was the right person to take over the job.

Bruce Lyles, the projects primary loan officer at First Financial Bank, is a Marshall County native and remembers the business throughout its two prior owners, both of whom are still Thompson's customers.

"This [business] has been a staple for the community for roughly 60 years," Lyles said.

Thompson also embraces the community aspect of her

business, especially around Christmas time. A community tradition for years has been selling fresh-cut Christmas trees and flocking them at the nursery.

"We have customers of 30 years still coming here with their grandkids and great grandkids," Thompson said.

Along with trees, Thompson sells handmade wreaths and garland made directly from the fresh trees. This next holiday season, Thompson wants to incorporate some holiday treats and maybe even have a visit from Santa Claus.

Thompson is also excited to have introduced the service of drying flower bouquets.

"Brides have come in wanting dried flowers, so our goal is to have the shop's ceiling full of dried flowers by winter," Thompson said.

Lastly, she hopes to eventually have two full greenhouses dedicated to growing fresh produce as well as a U-Pick farm for community members to pick their own flowers. The future for this nursery and garden center is in full bloom and Thompson is ready to make that future a reality with the help she received from KAFC. When Thompson gained ownership of Holly Nursery & Garden Center, she wanted to ensure that the legacy built by the Westfalls continued through to her management.

"The legacy is completely worth it," Thompson said.

Above: Ally Thompson, owner of Holly Nursery & Garden Center, and her husband Tristin Thompson, are excited to continue the business' well-established legacy by serving new and old customers in their area.

Loparo Contracting

DEALP

In 2018, Anthony and Nikki Loparo started an excavation business in Nelson County while Anthony sold large equipment on the side. In 2020, Anthony transitioned to becoming the full-time owner and operator of Loparo Contracting, but the Loparos always wanted to move into the agriculture industry through their business.

With the help of the Kentucky Agricultural Finance Corporation (KAFC) and Ken Adams at Magnolia Bank, the Loparos are making that dream a reality with a loan through the Diversification Through Entrepreneurship in Agribusiness Loan Program (DEALP).

"Here at Magnolia Bank, our team always looks for ways to utilize these programs to help reduce interest costs for our customer," Adams said.

With the loan, the Loparos purchased an existing agricultural tile company, Farmer and Sons, in February 2025. They have been learning from the previous owner as they go and are working with many of the company's pre-existing clients.

"[Agricultural tiling] was always the dream of ours to get into," Anthony said. "It was just something different, something unique, and something you don't see a lot of."

Agricultural tiling is a form of agricultural water management that removes excess water from the surface

of the soil through a system of perforated pipes installed underground. The practice allows improvement of the soil for many operations including row crops, pasture, and lawns. Benefits are increased yields and more timely access to planting and harvesting that translates into improved efficiency and profitability. With Kentucky being a state with such high precipitation, practices like tiling are seen as beneficial to many operations.

"If you are looking to improve your ground, tiling does it," Anthony said. "It allows you to get in earlier to plant, limits crop loss, and increases your land value. Just those three reasons right there are pretty high on the list as crucial for farming and agriculture."

Tiling is becoming a crucial practice for many farmers and is having a vast impact on the world of agriculture. By investing in this business, KAFC has been able to be a part of that impact on farmers around the state.

"It's a service that benefits farmers," Nikki said. "But then it also benefits local communities."

Taking over the business has also benefited the Loparos.

"Our story is and was that we are young and wanting to get into the agriculture side of things," Nikki said. "We wanted to just grow the business for us and our family, and continue the legacy of Farmer and Sons."



Above: Owners of Loparo Contracting, Anthony and Nikki Loparo, are eager to expand their customer base to a wider array of counties for their agriculture tiling business.

Nelson County native PJ Milburn is a dedicated farmer and an Agricultural Infrastructure Loan Program (AILP) recipient who recently purchased two grain bins for additional storage on his farm through the program. Milburn's agricultural roots run deep. He was raised on his grandfather's tobacco and dairy farm.

"I mean this is all I know," Milburn said. "I love agriculture. It's what built me to where we are now."

AILP assists Kentucky producers by accessing below-market financing for the acquisition, renovation, or construction of agricultural structures that enhance the profitability of their farming operations.

Milburn is diversified in his work and operation as he farms 150 acres of corn, wheat, beans, and rye. He also serves customers through his custom spray, chemical, and seed business. Milburn harvests 4,000 to 5,000 bushels of corn on the ear for buyers who are purchasing for wildlife use. Milburn also grows, bags, and sells about 10,000 to 15,000 bushels of shell corn to the local community annually.

After harvest is the selling and storage of a crop. For producers, structures on the farm play a vital role in profits and productivity, including storage facilities.

"Anytime you run crops at all you need some sort of storage," Milburn said. "And we got to where we either had to sell it at a higher moisture and take cuts or docks in the fall instead of just being able to store it. Of course, we also store combine corn for deer hunters."

Through the Kentucky Agriculture Finance Corporation (KAFC) participation loan program, Milburn added the storage he was looking for on the farm. Milburn said the process was smooth and beneficial when working with KAFC and Jade Sadler, a financial officer with Farm Credit Mid-America.

"We had to do something on the grain storage, and you know, at the time everything was 7.5 to 8 percent interest," Milburn said. "With this program, it was able to help us out tremendously on the interest. That makes a big difference."

Working with Farm Credit Mid-America and KAFC, the AILP offers a blended interest rate below market for farmers like Milburn.

"I had to have some storage, and it worked out great," Milburn said. "The program made it simple."

As Milburn's operation and businesses grow, so does the family involvement. Milburn's two sons help on the farm and are gaining experience early on.

"I have an 11-year-old and 17-year-old," Milburn said. "You ask them what they're building and they say character and wallets."

PJ Milburn AILP



Above: PJ Milburn and his sons, Tate and Gage, are utilizing their new grain structure for storage on their operation.

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County Cooperative Extension Service

extension.ca.uky.edu/

Kentucky Cabinet for Economic Development

www.thinkkentucky.com

Kentucky Center for Agriculture and Rural Development

www.kcard.info

Kentucky Department of Fish and Wildlife

www.fw.ky.gov

Kentucky Division of Conservation

www.conservation.ky.gov

Kentucky Division of Water

eec.ky.gov/Environmental-Protection/Water/

Kentucky Small Business Development Center

www.ksbdc.org

USDA Farm Service Agency

www.fsa.usda.gov/state-offices/Kentucky

USDA Natural Resource and Conservation Services

www.nrcs.usda.gov/wps/portal/nrcs/site/ky/home

USDA Rural Development

www.rd.usda.gov/ky

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