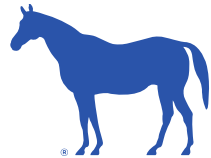


LEXINGTON AGTECH DEVELOPMENT UPDATE

Council Work Session

August 27, 2024



LEXINGTON

Snapshot: Fayette County Farm Production

Category	Quantity	% Change since 2017
Number of Farms	682	+10%
Average Size of Farm (acres)	182	-1%
Market Value of Products Sold	\$333,101,000 – 3 rd in state	+55%
Market Value of Equine Sold	\$249,943,000 – 1 st in state	+87%
Hired Farm Workers	2,734	--
Hired Farm Payroll	\$93,051,000	+36%

From 2022 USDA Census of Agriculture

Background: AgTech Opportunity

- **Agricultural Production:** Fayette County is historically a leading producer of ag products, regularly ranking at or near the top of farm sales in the state
- **Rich Academic & Research Environment:** The University of Kentucky was first founded as an Agricultural College and land-grant research institution and for decades has been a national leader in ag research and innovation
- **Agribusiness Hub:** Lexington is home to dozens of thriving agribusinesses in sectors such as animal health, ag inputs, tourism, and retail sales
- **Tech Environment:** Historically, Lexington has been home to several tech employers (IBM, Lexmark) and has a workforce equipped for tech jobs

Formation: AgTech Development Ecosystem

- **2018:** Mayor Gorton shares vision for economic opportunity in high-tech agriculture during her campaign
- **2019:** Mayor Gorton leads formation of partnership with UK College of Agriculture, KY Department of Agriculture, and Alltech to create innovation ecosystem for agtech businesses centered in Lexington
- **2020 – 2022:** Consultant studies from UK & Commerce Lexington validate and support agtech as target industry for development; offer framework for strategic approaches to create innovation ecosystem

Formation: Bluegrass AgTech Development Corp

- **June 2022:** The Bluegrass AgTech Development Corp (BADDC) is formally established and launched as a nonprofit with a goal of supporting entrepreneurship, business growth, and economic development in the agtech sector



LEXINGTON



KENTUCKY
DEPARTMENT OF
AGRICULTURE



Martin-Gatton
College of Agriculture,
Food and Environment



Funding: Bluegrass AgTech Development Corp

- 2023: Council approves Resolution 317-2023 to provide \$1,000,000 to BADC for startup costs of the organization and to establish a challenge grant program for agtech businesses
- LFUCG funding is matched by an additional \$1,000,000 from the Kentucky Agricultural Development Fund, a body within the Department of Agriculture formed to reinvest in Kentucky agriculture and diversify the industry
- In addition to funding, other partners pledged extensive resource and service assistance
 - Along with commissioning initial studies and focus groups, UK's College of Agriculture is supplying BADC office space on the Coldstream campus
 - Alltech has provided valuable marketing, branding, and legal services at no cost

Grant Programming: Bluegrass AgTech Development Corp



- **July 2023:** Executive Director Bob Helton hired to establish organization, lead operations, and develop Challenge Grant program
- **November 2023:** Inaugural Challenge Grant program applications open; applicants invited to submit projects addressing identified “focus areas”
- **March 2024:** Application window closes with 29 applications received



Future-Proof
Animal Protein



Food Is
Health



Sustainable
Food Systems



Solutions For
Mid-Size Farming



Kentucky
Traditions

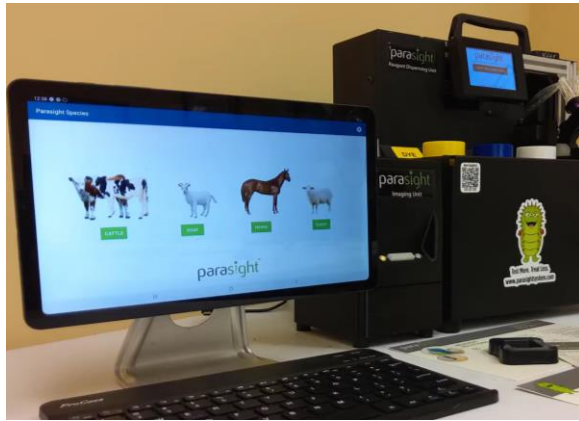


Grant Programming: Bluegrass AgTech Development Corp

- **August 13, 2024:** Inaugural Challenge Grant recipients announced
- **7** companies selected with **5** being headquartered in Lexington
- **\$625,000** award total (\$325,000 of City funds and \$300,000 of State funds)
- Diverse array of products, services, sectors, and stages of agtech businesses



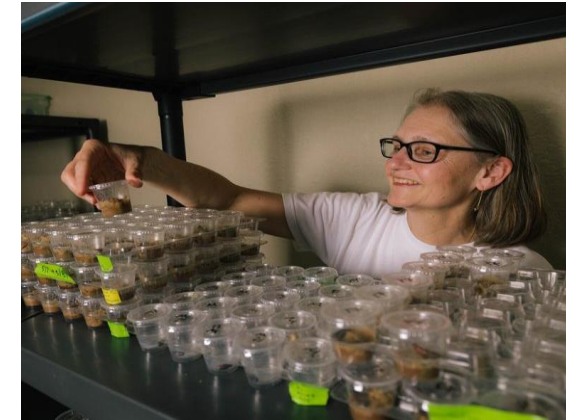
Grant Funding: Project Summaries



- **Parasight System Inc.:** Expanding production of veterinary devices that offer fast, accurate, and cost-effective detection and diagnosis of parasites in animals



- **RedLeaf Biologics:** Conducting clinical studies for health and nutrition products created from a novel variety of locally raised sorghum



- **Lepidext, Inc.:** Developing safe and effective bioinsecticides to control pests in crops while decreasing dependence on chemical pesticides

Grant Funding: Reporting & Future Opportunity

- The 5 Lexington-based businesses selected currently employ **34** cumulative FTE positions
- Recipient businesses will provide regular reporting on growth in employment, revenue, capital investment, etc. to monitor grant impacts
- Additional BADC grant funding remains, and a second Challenge Grant round is planned to open in late 2024 – subscribe online or follow on social media for updates



Questions?



LEXINGTON