

Food and Beverage in Kentucky





Freshness Starts in Kentucky

There is no better time than now to locate or expand a food and beverage industry facility in Kentucky. Food and beverage manufacturers and distributors, along with numerous container and packaging manufacturers, packaging plants, refrigerated warehousing operations and other food and beverage industry facilities are thriving in the commonwealth. Where freshness is vital, Kentucky's central location will ensure products get to market quickly.

The state's proximity to massive consumer markets, combined with an abundance of natural agricultural resources and transportation networks, allows companies to produce and transport quality products cost effectively and efficiently. From headquarters to food processing to an ever-expanding bourbon industry, food and beverage facilities are creating an economic feast across Kentucky. What makes Kentucky the perfect location for food and beverage industries? Our recipe for success is served in bite-sized facts.

#6

Ranked 6th in the nation
for number of farms.

Agriculture contributes

\$45.6 BILLION

to Kentucky's economy
each year.

\$867 MILLION

exported in food,
kindred products and
distilled spirits in 2019.

350+

food and beverage-
related facilities.

52,000+

employees in Kentucky's
food and beverage-related
facilities.

\$7 BILLION

in GDP from food, beverage
and related products
manufacturing.

Starting at Ground Level

Our agriculture industry is rapidly growing. Companies are supported by Kentucky's historically strong agricultural base of more than 75,000 farms and more than 13 million acres of farmland (more than half of the state's total acreage). In fact, the state is sixth in the nation for total number of farms.

Our abundance of farmland, combined with the products we grow and raise, makes Kentucky the ideal location for food and beverage companies seeking a home. The access to nearby raw materials keeps operating costs and transportation expenses low. Approximately 91% of Kentucky's 75,000 farms are family owned and operated.

Grown in Kentucky

CORN

Farmers harvested more than 1.5 million acres in 2019, worth over \$1 billion.

HAY

In 2019, nearly 2 million acres of hay was harvested, valued at \$616.2 million.

SOYBEANS

Production in the state exceeds 77 million bushels annually for a total of \$707.4 million.

WHEAT

More than 25 million bushels of winter wheat, at a value of \$131.7 million, was harvested in the commonwealth in 2019.

VEGETABLES

Farmers, at last report, see nearly \$30 million in vegetables each year.

NURSERY PRODUCTS

The value of nursery, greenhouse, floriculture and sod products is nearly \$80 million per year.

FRUITS, TREE NUTS AND BERRIES

Nearly \$8 million in fruits, tree nuts and berries are sold in Kentucky each year.





Raising Kentucky's Livestock

DAIRY

There are 49,000 dairy cows in Kentucky that produced nearly \$183.5 million worth of milk in 2019.

BEEF

Kentucky is the leading beef cattle state east of the Mississippi River, home to more than 1 million beef cows.

POULTRY

Poultry products, which include both broilers and layers, are Kentucky's leading ag commodity. In 2019, the commonwealth produced nearly 3 million chickens and broilers.

SWINE

Kentucky's swine inventory totaled 435,000 head in 2019.

SHEEP

Kentucky's sheep industry has seen substantial growth in recent years. The state's sheep inventory totaled 62,000 in 2019.

GOATS

Kentucky has emerged as a leading state in goat production. Kentucky was home to 64,000 goats in 2019.





BEE BOYS HONEY

Shelbyville

CATRINA'S KITCHEN MIXES

Louisville

SUTTON'S HONEY FARM

Lancaster

Kentucky Proud products pictured are on display at Houchens in Bowling Green.

Kentucky Proud

LOCALLY GROWN PRODUCTS ARE IN DEMAND

Kentucky Proud, the state's official farm marketing program, is the engine driving Kentucky's vibrant local food movement. It has greatly increased sales of Kentucky-made products while also generating millions of dollars in revenue for Kentucky family farmers and small businesses.

A study by the University of Kentucky found that Kentucky Proud has achieved 69% brand recognition statewide, including 80% in the state's largest urban market, Louisville, and 75% in Lexington, Kentucky's no. 2 market in size.

Retailers have seen tangible benefits while promoting products as Kentucky Proud. Consumers are requesting those products because they know the food will be fresh and locally grown.

The return on investment for Kentucky Proud products is significant. In a recent study, Kentucky Proud returned \$2.94 in new farm income for every \$1 invested, according to the Kentucky Agricultural Development Fund.

Any agricultural product grown, raised, produced, processed or manufactured in Kentucky can receive the Kentucky Proud designation. Nearly 6,000 farmers, processors, retailers, restaurants, school districts, colleges and universities, farmers' markets, Kentucky state parks and Kentucky Farm Bureau Certified Roadside Markets are members. The program is administered by the Kentucky Department of Agriculture.



8,000+ KENTUCKY PROUD MEMBERS

Farmers, processors, retailers, restaurants, school districts, colleges and universities, farmers' markets, Kentucky state parks and Kentucky Farm Bureau certified roadside markets

Kentucky Makes Your Mouth Water

Nearly 4,500 manufacturing facilities across Kentucky produce textiles, automobiles, food, beverages, paper products, aerospace products, appliances and thousands of other items you interact with every day.

Kentucky's food- and beverage-related companies produce some of your favorite foods, as well as items you use on a daily basis. According to Food Processing Magazine, Kentucky is a dominant manufacturing force in the U.S. with 33 of the country's top 100 food processing companies operating in the commonwealth.

Kentucky also features substantial international investment. Currently, some 500 Kentucky manufacturing, service and technology-related businesses are internationally owned, representing 32 countries. Those include such renowned companies as Beam Suntory, Bel Brands, Diageo, Grupo Bimbo, Four Roses, JBS USA, Mizkan, Nestle, Perfetti Van Melle, Pilgrim's Pride and Wild Turkey.



Ragu Spaghetti Sauce

Made by Mizkan America
in Owensboro



Pop-Tarts

Made by Kellogg
in Pikeville



Keebler Fudge Stripes

Made by Ferrero Group
in Florence



Hot Pockets

Made by Nestle USA
in Mt. Sterling



Aluminum Foil

Made by Reynolds Consumer
Products in Louisville



Jif Peanut Butter

Made by The J.M. Smucker Co.
in Lexington



Capri Sun

Made by Kraft Heinz Co.
in Louisville



Salad Dressing

Made by T. Marzetti
in Horse Cave



Airheads Candy

Made by Perfetti Van Melle
in Erlanger



Ale-8

Made by Ale-8 One Bottling Co.
in Winchester



Honey Buns

Made by Flowers Bakery
in London

\$35 MILLION

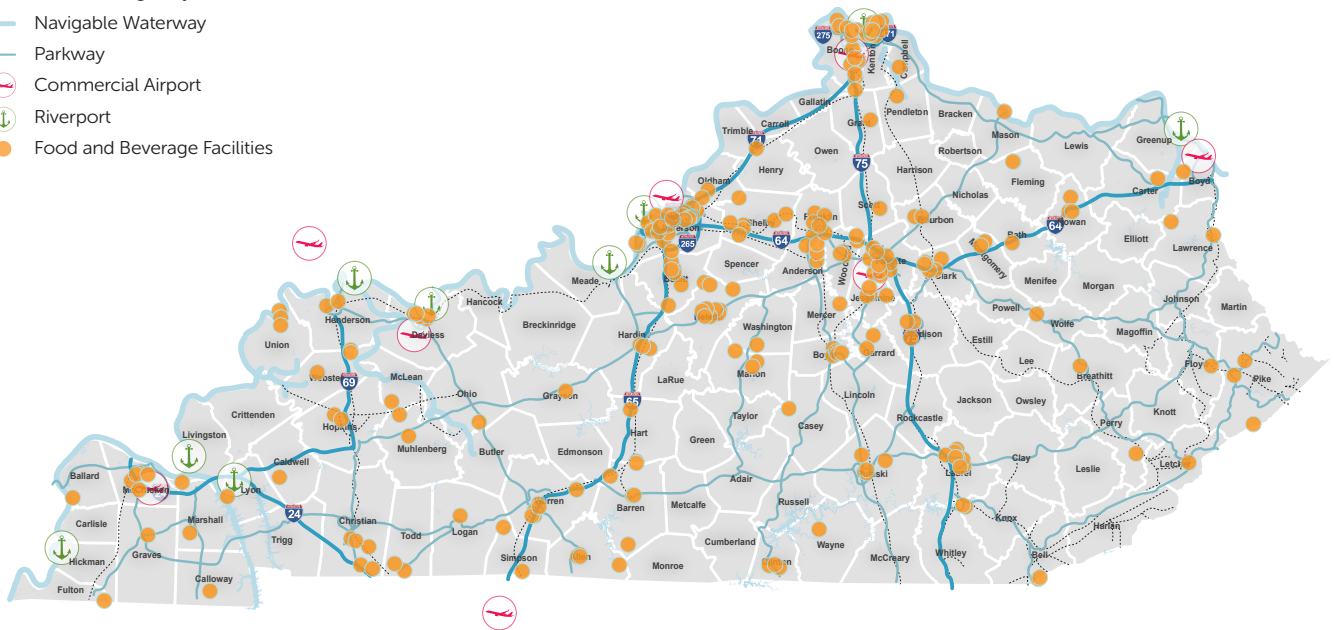
in food and beverage
products produced over
five years

Food and Beverage Companies in Kentucky

Located throughout the commonwealth, more than 350 food and beverage facilities provide products and services used globally and employ more than 52,000 Kentuckians

KEY

- Class I Railway
- Interstate Highway
- Navigable Waterway
- Parkway
- ✈ Commercial Airport
- ⚓ Riverport
- Food and Beverage Facilities



FOOD AND
BEVERAGE
GROWTH

INVESTMENT | \$974+ Million

NEW JOBS | 1,502

ANNOUNCEMENTS | 53

Kentucky Food and Beverage Industry announced investment and job creation in 2020



The Perfect Headquarters Location

Kentucky serves as the headquarters for many leading international food and beverage firms. For example, Kentucky is home to Yum! Brands, the largest restaurant company in the world. Some of the world's leading bourbon brands are headquartered here too, including Brown-Forman and Heaven Hill.

In short, there's no time like the present to locate or expand your food and beverage business in Kentucky. Such businesses are thriving, and there's always room for you at the table.

Headquartered in Kentucky

Brown-Forman Corp.
Louisville | 800 employees

Heaven Hill Distilleries
Bardstown | 562 employees

Papa John's International
Louisville | 525 employees

Alltech Inc.
Nicholasville | 450 employees

ADM Wild Flavors Inc.
Erlanger | 415 employees

Texas Roadhouse Inc.
Louisville | 362 employees

YUM! Brands Inc. YSC
Louisville | 300 employees

Perfetti Van Melle USA
Erlanger | 300 employees

Laurel Grocery Company LLC
London | 280 employees

Canteen Service Co.
Owensboro | 275 employees

Purnell Old Folks Sausage
Simpsonville | 270 employees

Dippin' Dots LLC
Paducah | 185 employees

Modern Distributors
Somerset | 170 employees

Restaurant Supply Chain Solutions LLC
Louisville | 170 employees

Houchens Industries
Bowling Green | 160 employees

Chas Seligman Dist Co.
Walton | 125 employees

Galerie
Hebron | 110 employees

Ale-8-One
Winchester | 96 employees

Long John Silver's LLC
Louisville | 80 employees

Fazoli's Restaurant Group Inc.
Lexington | 60 employees



Have a Drink on Us

Few places around the globe are known for the spirits they produce. Kentucky proudly carries that distinction. While some of our beverages are well known, others are growing in stature and popularity.

For example, we export wine to France, vodka to Russia and scotch to Scotland. We even make legal moonshine! But bourbons, wines and craft beers are garnering the most attention. Our perfect combination of climate, soil conditions and pure limestone water are factors in our success.

Bourbon

The world associates bourbon with Kentucky, and with good reason. Ninety-five percent of the world's supply is distilled here, and production continues to grow. Just 20 years ago, annual production was less than 500,000 barrels. Today, production has almost tripled.

Bourbon is America's only native spirit. To be called bourbon, it must meet certain requirements:

- 51% corn
- Aged in charred new oak barrels
- Bottled at no less than 80 proof.

There are more than 70 bourbon distilleries in Kentucky, owned by large corporations and small craft distillers. Collectively, the industry generates more than \$8.5 billion in revenue annually and employs more than 20,000 Kentuckians. More than \$2.3 billion in capital projects has been completed or is planned over the next five years.

Top Bourbon Manufacturing Employers in Kentucky

1. Jim Beam	1,298
2. Buffalo Trace	1,213
3. Woodford Reserve	1,166
4. Heaven Hill	622
5. Wild Turkey	151
6. Four Roses	105

Bourbon also is a visitor attraction with many distilleries offering tours and tastings along the official Kentucky Bourbon Trail and the Kentucky Bourbon Trail Craft Tour. Nearly a million visitors travel all or parts of the trails each year.



Kentucky bourbon is aged in **new white oak barrels** that have been charred to enhance the flavor and color of the bourbon.



15-20 MILLION BUSHELS OF CORN

are used by Kentucky's
bourbon and spirits
industry.



95% OF THE WORLD'S BOURBON

is made in Kentucky



6.7 MILLION BARRELS OF BOURBON

are aging in warehouses.
We have more barrels
than people.

Craft Beer

Kentucky's young craft brewing industry already is generating hundreds of jobs and millions of dollars in economic activity. It's also creating unique opportunities for Kentucky farmers.

Kentucky had over 70 microbreweries in 2019, up from five just a decade prior, and they employed an over 1,000 people, the Kentucky Guild of Brewers reported. Beer production in Kentucky generates \$495 million of economic impact a year. The Kentucky legislature doubled the maximum legal production of a Kentucky microbrewery to 50,000 barrels per year in 2016, touching off a wave of expansion in the industry.

The growth of craft brewing in Kentucky has boosted demand for hops, and Kentucky farmers could fill that need. Kentucky's climate and landscape are ideal for the crop; in fact, hop production was widespread in Kentucky, particularly Northern Kentucky, until the early 20th century. In 2016, the Kentucky Department of Agriculture initiated talks with brewers, universities and hop growers to study the potential for hop production in Kentucky.

Wine

Some say that Kentucky was "the original wine country" in the U.S., since the country's first commercial vineyard started here in 1798. The climate and soil combine to make a perfect combination for growing grapes.

Prohibition nearly wiped out wine production in Kentucky, but in recent years, it has made a dramatic resurgence. In 2000, only 10 wineries existed in the commonwealth.

Just as Kentucky's bourbon industry has attracted a legion of tourists, so has wine. More than 216,000 visitors from across the globe sipped and savored last year in Kentucky wineries, and the attraction to the Kentucky grape continues to grow. The full economic impact was measured recently at \$165.3 million annually, which supports more than 1,250 Kentucky jobs.

\$165.3 M

Full economic impact of
Kentucky wine & grapes

\$37.2 M IN WAGES

Generated by Kentucky's
wine industry

70 SMALL WINERIES

are in operation, producing

173,000 GALLONS

fermented per year.

**100,000 BARRELS
OF BEER**

are produced by Kentucky
craft brewers each year



Beyond People Food

Kentucky's food and beverage industry continues to expand in additional areas to serve the growing need for customers, and the state's animal feed sector is helping spur that growth.

Kentucky has more than 30 manufacturing operations that produce food and nutritional supplements for animals.

Pet food producers take care of many of the country's pets, while a wide variety of mills and other producers provide food and supplements for larger animals. Manufacturers have found Kentucky ideal because of abundant natural resources and local suppliers.

Manufacturers: Kentucky Animal and Pet Food

- | | |
|-------------------------------|---------------|
| 1. Alltech Inc | Nicholasville |
| 2. Champion Petfoods USA | Auburn |
| 3. Dinovite | Crittenden |
| 4. Excel Equine | Louisville |
| 5. Fresh Choice Complete Diet | Warsaw |
| 6. Hill's Pet Nutrition | Bowling Green |

Feeding into Horsepower

Kentucky's iconic equine industry is powered by a number of animal feed businesses, both large and small.

Alltech, a world-class animal nutrition company employing about 700 people in Nicholasville, develops animal feed additives that keep horses healthy. Meanwhile companies like McCauley Brothers — an Alltech company — Hallway Feeds and Excel Equine manufacture feed and supplements that enhance horses health and wellbeing.



"We rely on
Kentucky farmers,
ranchers, and
fishermen... and
local people to fill
our team.

**We have found the
world's best
in Kentucky"**

Frank Burdzy
CEO and President,
Champion Petfoods



Supply Chain Central

Kentucky's food and beverage industry continues to expand in additional areas to support growing customer demand. That growth is exemplified from the rise in production from animal feed to wood products to aluminum production.

Wood grown in Kentucky is being used for a variety of food and beverage-related purposes. The bourbon industry has product aging in nearly 10 million Kentucky-made barrels, and that number continues to grow. That has contributed to the influx of barrel stave manufacturers, such as Independent Stave Co., which operates four locations in Kentucky.

In addition, wooden pallets and crates manufactured from Kentucky wood carry food and beverage products throughout the world. There are even billions of ice cream sticks being produced at Smartwood's facility in Corbin.

The impact of food and beverage on the aluminum industry can't be ignored. The Logan Aluminum facility in Western Kentucky accounts for nearly half of all aluminum can production in North America. Additionally, Crown Holdings in early 2020 announced a new facility in Bowling Green that will produce 1.3 billion cans annually. Also locating in Bowling Green is Ball Corp., which in January 2021 announced a new a 500,000-square-foot manufacturing facility to supply aluminum ends to Ball's expanding North American network of beverage can manufacturing plants.

Consider the numerous food packaging facilities located across the state and it's clear Kentucky has the food and beverage market cornered.

- Kentucky is home to nearly 200 aluminum-related facilities that employ over 20,000.
- The commonwealth has more than 230 plastics and rubber manufacturers, many of which serve the food and beverage industry.
- Kentucky's over 540 logistics and distribution facilities ensure products get to customers as quickly as possible.

Kentucky's Distributors

On top of a perfect location and an abundance of logistics options, Kentucky offers a strong network of food and beverage distributors who get product to market without delay.

Currently, more than 60 food- and beverage-related distributors and their 10,500 employees criss-cross the state and the nation to deliver what America consumes. Those include such corporations as Walmart, Cordon Food Service, Beam Suntory, McLane, Papa John's and Zenith Logistics, which distributes for the Kroger Company.

Those distributors also take pride in providing a network of options where Kentucky Proud products can get to retailers quickly.

Whether products have to travel a few miles or a few thousand miles, Kentucky distributors are available and ready to haul at a moment's notice.



KENTUCKY'S TOP DISTRIBUTION EMPLOYERS

Company	Employees
Beam Suntory	1,530
McLane FoodService	981
Pepsi Beverage Co.	844
Walmart Distribution Center 6066	803
Walmart Distribution Center 6097	795
Zenith Logistics Inc.	772
Dollar General Corp.	550
Gordon Food Service	550
Papa John's International	540
Creation Gardens	470
The Kroger Co. Div. Supply Chain	400
CCBCC Operations, LLC	380
Castellini Company LLC	360
Clark Distributing	345
H T Hackney	331
White Castle Distribution LLC	360
Reinhart Food Service LLC	237



Research in Kentucky

Colleges and universities keep the state's food and beverage industries ahead of the curve with groundbreaking research aimed at improving food quantity and quality. Below are examples of the innovative work currently being performed.

University of Kentucky (UK) Lexington

UK's Ecological Research and Education Center (EREC) Field Station allows students and researchers to study ecological and environmental issues in Kentucky, especially related to plant and disease research. In addition, UK's Poultry Research Facility provides the platform for research into poultry diets and the use of different products in those diets.

Kentucky State University (KSU) Frankfort

KSU offers a range of aquaculture research including production, aquaponics and fisheries. The university's Aquaculture Research Center (ARC) includes 33 research ponds used to conduct research on fish disease, reproduction, water quality, physiology and production systems.

Western Kentucky University (WKU) Bowling Green

The WKU Agriculture Research and Education Center is an 800-acre farm used by students for corn and soybean research trials, as well as USDA and faculty research. WKU also studies beef operations, dairy farming, food production, equine research and soil and plant research.

Murray State University (MSU) Murray

MSU's Watershed Studies Institute is researching the conditions and health of Kentucky Lake, evaluating the nutrients that feed the phytoplankton population and studying fisheries to address food and nursery areas underneath the water.

Morehead State University Morehead

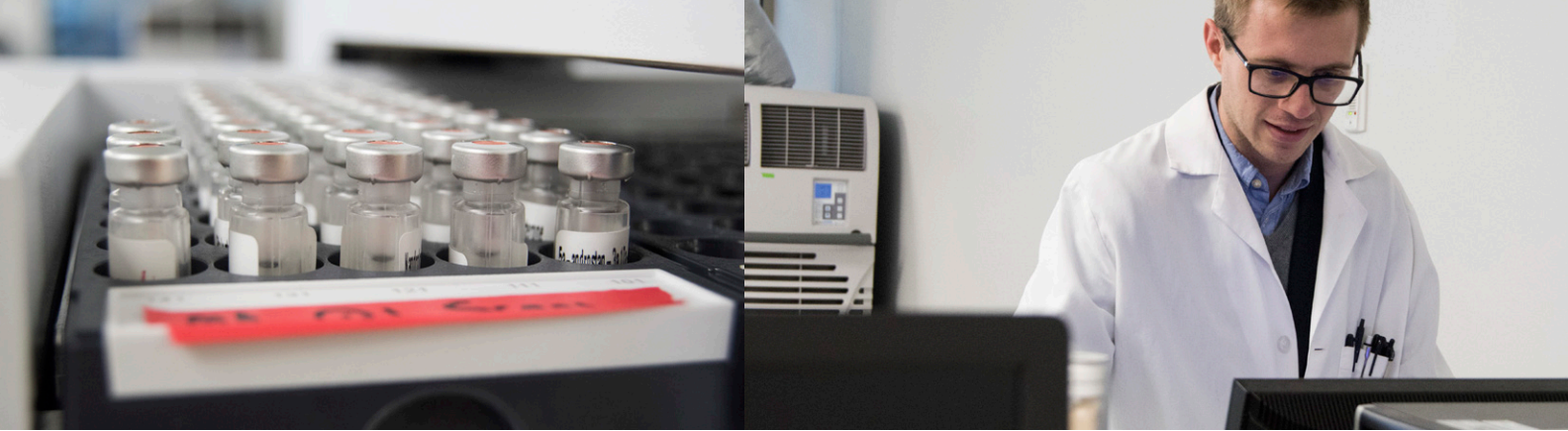
Agricultural science students at Morehead State use the Derrickson Agricultural Complex and Browning Orchard in nearby Fleming County to study and raise cattle, swine and sheep, as well as gain experience with equine breeding and vegetable and grain production.

Eastern Kentucky University (EKU) Richmond

Stateland Dairy and Meadowbrook Farm provide EKU students with hands-on experience in the livestock management and crop enterprises, while the university's research focuses on solving practical farm issues.

"We're from the Owensboro area, so to be able to stay there and expand there and be able to do it with the support of the state, the county and the city is huge for us."

Bo Barron
Vice President, Hollison LLC



New Recipes

INNOVATION IMPROVES SAFETY

Several Kentucky businesses are making dramatic advances in the area of food and medicine safety, using cutting-edge technology to protect both humans and animals. Some of the more innovative companies include:

Alltech

In Nicholasville, Alltech has invested years of scientific research into the development of yeast and enzyme-based animal feed supplements. With regulations differing from country to country, Alltech has researched and implemented best practices to keep animal food nutritionally balanced and free from contaminants such as heavy metals, mycotoxins, dioxins and PCBs. Using the research, the company has established standards that meet or exceed the most stringent in the world.

Hollison, LLC

Researched and improved sampling methods for companies testing their food products in Ownesboro. Hollison's team of engineers, microbiologists and business development has developed two continuous sampling devices (DuraSampler and TrueSampler) that will allow customers to sample all food products continually, rather than through periodic sampling. This process improves food safety and is a more efficient method of testing.

LGC

In Lexington, LGC has expanded its laboratories to ensure the safety of sports supplements for both human and animal athletes. LGC currently provides drug testing for high-profile equine events in the U.S. and the world, and minimizes the risk of a human athlete inadvertently committing a doping violation by consuming a contaminated supplement.



Agritech Grows in Kentucky

The world soon must drastically increase its food supply to feed a rapidly growing population, making agritech – the use of technology to make agricultural practices more efficient and our food supply more resilient and reliable – immensely important. Kentucky, with its abundant farmland, nationally recognized role in advanced manufacturing, first-class logistics services and strong support for innovation, stands to play a leading role in this budding industry.

Kentucky's Agritech Advantages

- **Central location:** Kentucky's borders lie within a day's drive from two-thirds of the U.S. population.
- **Agricultural roots:** Abundant farmland & longstanding strength in agriculture
- **Manufacturing leader:** 13% of state's workforce is in manufacturing, versus 8.5% nationally

Success Stories

Agritech still has plenty of room to grow, but the building blocks are already in place for Kentucky to become a world leader in this field. A number of companies are making great strides in the industry, with the following as just a few notable examples:

CUTTING-EDGE AG RESEARCH

Founded in 1980 by the late Irish entrepreneur and scientist Dr. Pearse Lyons and his wife, Deirdre, and headquartered in Nicholasville, Alltech has grown into a global business with a team of more than 6,000 employees. With its focus on animal and crop science research – even down to the molecular level – the company stands at the forefront of agritech innovation.

REVOLUTIONARY FARMING SYSTEMS

The commonwealth is home to innovative vertical farming operations, aquaponics operations and high-tech greenhouses that will be key to maintaining and increasing food production. Two such examples include: AppHarvest, which in 2020 opened its 2.76-million-square-foot, state-of-the-art greenhouse in the Eastern Kentucky city of Morehead; and Kentucky Fresh Harvest, which built the first high-tech greenhouse in the state in the city of Stanford, located at the heart of the commonwealth.

FARM MANAGEMENT TECHNOLOGY

Businesses in Kentucky also provide the technology farmers need to get the most out of their operations. AgConnections in Murray, for example, develops and continuously updates crop management software solutions that make farms more efficient and compliant, also helping farmers set up and run the systems with a mix of on-site training, web-based training, video tutorials and friendly, knowledgeable support.

TOMORROW IS HAPPENING TODAY WITH KENTUCKY R&D

Kentucky's bevy of research and development institutions helps make the state an ideal landing spot for agritech-related enterprises. The USA Drone Port, a pioneering new aeronautics facility located in the beautiful mountains of Eastern Kentucky, offers these businesses unique R&D opportunities. Additionally, the state's robust network of universities and colleges are instrumental in helping the industry realize its full growth potential.



Learn more about Kentucky AgriTech, including how we can help you get growing in the Bluegrass State, by visiting agritech.ky.gov.



Kentucky is home to
one of the world's
**largest, most
advanced high-tech
greenhouses**

Kentucky's Global Reach

Kentucky also provides an alternative for international shippers that have limited access to overly crowded ports on the east and west coasts. Bordered by three important commercially navigable rivers (the Ohio, Mississippi and Big Sandy), and providing access to nine public riverport facilities, Kentucky offers an expedient two-way route between the inland markets of America's heartland and major ports on the Gulf of Mexico.

The bottom line is this: a product made in Kentucky can get anywhere in the world in a matter of hours.



Kentucky is located within a **DAY'S DRIVE OF 2/3 OF THE U.S. POPULATION**



Some of the nation's **LARGEST CITIES** are located within a **TWO-HOUR FLIGHT** of Kentucky



Kentucky is located at the **CENTER OF A 34-STATE DISTRIBUTION AREA** in the Eastern U.S.



LOGISTICS FACTS

HIGHWAYS & BYWAYS

10 interstates + 10 state parkways

GLOBAL SHIPPING HUBS

UPS, DHL and Amazon Prime

AIRPORTS

5 commercial, including 2 international and 60+ general aviation

WATERWAYS

Over 1,600 miles of commercially navigable waterways
11 active/developing riverports

RAILROADS

3,200 miles of railroad track including 2,600 miles of freight rail

FREIGHT

275 million tons move across Kentucky roadways each year



Logistics Leads the Way

In addition to Kentucky's central U.S. location, part of our logistics success lies in our ability to ship products anywhere in the world virtually overnight. Kentucky hosts global shipping hubs for three logistics giants – DHL, UPS and Amazon Air – plus several FedEx ground facilities. In addition, our extensive shipping network of interstates, rail and waterways guarantees fast shipping anywhere in the U.S.

Amazon



64

planned
daily flights



1.5M

packages
will be processed daily

DHL



96

flights arrive &
land daily



95K

packages
processed daily

UPS



300+

flights arrive &
land daily



2M+

packages
processed daily



Manufacturing Strengths

Kentucky's expertise, workforce and personalized service are major factors in our ability to maintain and grow a prominent position in the manufacturing industry. In addition, our low business costs can help a company's profits skyrocket.

Global companies have discovered the value of locating in Kentucky. Currently, more than 500 Kentucky manufacturing-, service- and technology-related businesses are internationally owned, representing 32 countries.

Kentucky ranks among the leading manufacturing states with 13% of its workforce in manufacturing, versus 8.5% nationally. A recent nationwide state-by-state comparison by Ball State University gives Kentucky an "A" ranking for both manufacturing and logistics industry health.



4,500
Manufacturing
facilities in Kentucky



\$1.57 BILLION
Manufacturing
projects announced
in 2020



260,000
Kentuckians
employed in
manufacturing



13%
Of Kentucky's
workforce employed
in manufacturing



63%
Of 2020 investment
came from
manufacturing



3,952
Manufacturing jobs
announced in 2020

Lowering the Cost of Doing Business

The commonwealth has consistently offered one of the lowest overall costs of doing business in the Eastern United States.

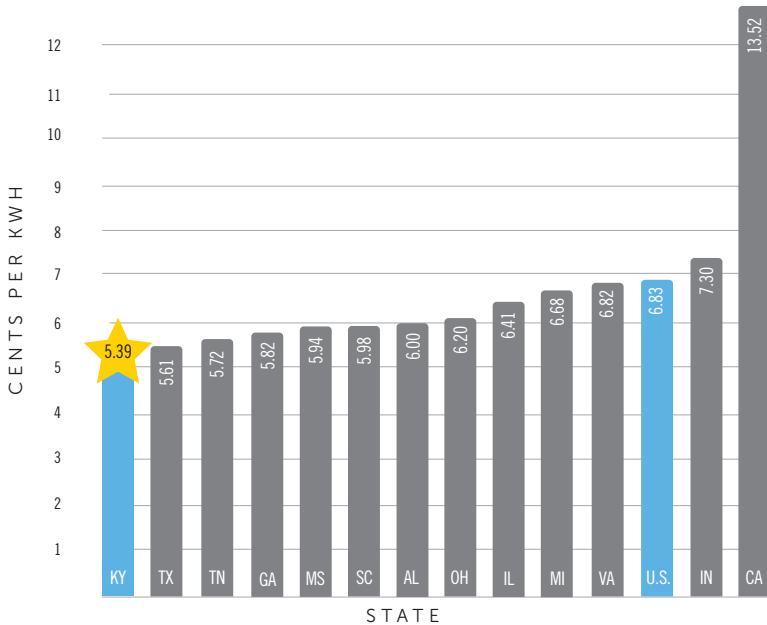
- No. 1 in the U.S. in lowest cost of doing business (CNBC).
- Kentucky's 1,900-plus miles of navigable waterways provide cost-effective shipping of bulk goods.
- Labor costs are 18% below the U.S. average (U.S. Bureau of Labor Statistics).

A Powerful Comparison

Kentucky's power costs also play a significant role in corporate growth. Our industrial electricity rates are the lowest east of the Mississippi River and among the lowest in the country.

INDUSTRIAL ELECTRICITY AVERAGE PRICE

Energy Information Admin., average price by state, released 2019



BUSINESS CLIMATE FACTS

"A" GRADE

Kentucky gets an "A" grade in manufacturing and logistics health Center for Business and Economic Research

18.9% GROWTH

Kentucky's manufacturing share of total GDP (18.9%) has grown nearly twice the national average (11.7%) since 2010
U.S. Bureau of Economic Analysis

10% LOWER

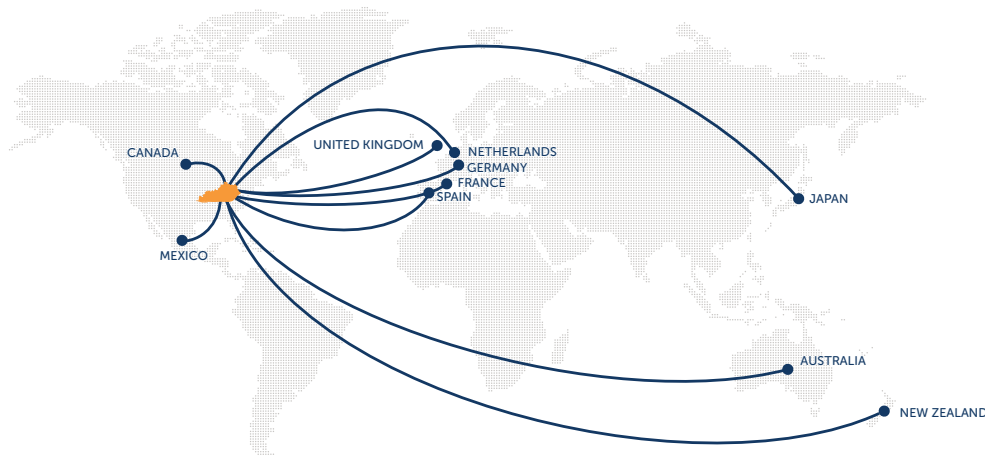
Kentucky's cost of living is 10.3% lower than the U.S. average
JobsEQ

Exports

Kentucky makes — or grows — products the world wants. That's why, last year, more than \$1 billion in agricultural products were exported to countries throughout the world. From whiskeys and other spirits to horses and other animals to wood products to vegetables, Kentucky is working to satisfy a hungry, thirsty world.

Top 10 export destinations

Kentucky-made food and beverage products.



In 2019, Kentucky exported:

\$485 MILLION | whiskies

\$65 MILLION | bakery products

\$58 MILLION | meat and meat packaging products

EXPORT FACTS

Food and beverage
exports in 2019
exceeded
\$867 MILLION

Kentucky's food and
beverage exports have
increased
12%
from 2017-2019

Food and beverage
products were a
TOP 5 EXPORT
in the commonwealth
in 2019

Revving up the Workforce

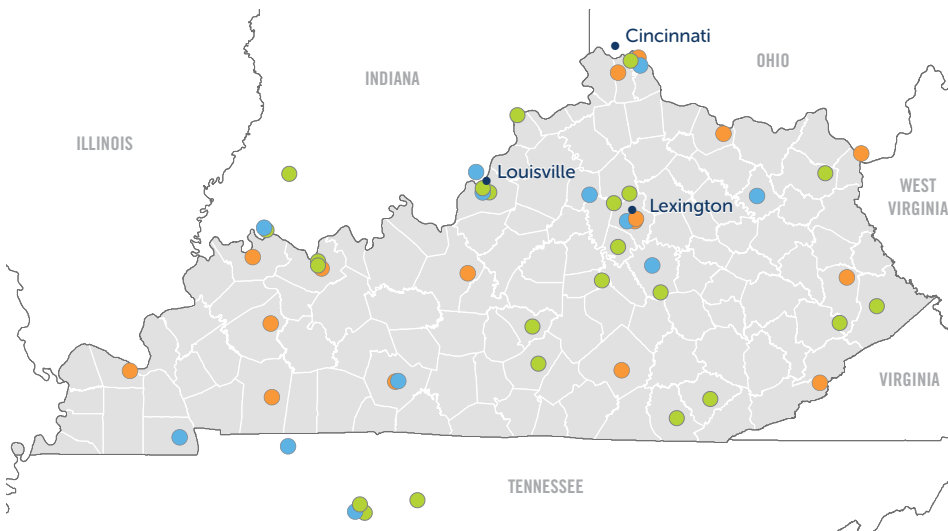
A highly skilled and available workforce is the engine that drives Kentucky's economy. Our statewide system of colleges and universities educates and trains our young people to enter the workforce more prepared than ever.

An abundance of engineering degree programs are available at Kentucky's colleges and universities, including specialized chemical, electrical, industrial, mechanical and materials engineering bachelor's and master's programs, as well as an engineering physics bachelor's program. Nine colleges and universities in Kentucky offer undergraduate engineering degrees and three also provide graduate programs, including an individualized engineering program. The University of Kentucky and University of Louisville also offer doctorate programs.

8
PUBLIC
UNIVERSITIES
123,479
Total enrollment

18
PRIVATE COLLEGES
& UNIVERSITIES
56,288
Total enrollment

16
COMMUNITY &
TECHNICAL COLLEGES
78,484
Total enrollment



KEY

- Public University-College
- KY Community & Technical College System
- Private University-College

SKILLED WORKERS IN KENTUCKY

Title	Jobs
Food Processing Workers	11,483
Packaging & Filling Machine Operators & Tenders	8,872
Food Batchmakers	2,431
Bakers	1,995
Agricultural Implement Manufacturers	1,653
Farm Machinery & Equipment Manufacturers	1,634
Veterinarians	1,235
Farm Equipment Mechanics & Service Technicians	871
First-Line Supervisors of Farming, Fishing & Forestry Workers	678
Agricultural Equipment Operators	350
Graders and Sorters	339
Agricultural Inspectors	180
Buyers & Purchasing Agents	165

Source: Chmura Economics & Analytics/
JobsEQ, 2019 (Q4)

In addition, the Kentucky Community and Technical College System (KCTCS) offers a variety of manufacturing-specific academic programs that combine classroom instruction with practical experience. These include:

- Advanced Manufacturing Technician
- Computerized Manufacturing Machining
- Welding Technology
- Industrial Maintenance Technology
- Manufacturing Industrial Technology
- Additive Manufacturing
- Manufacturing Electrical Technology

Kentucky Skills Network

Once students are educated, the Kentucky Skills Network allows employers to find and train the best and most qualified workers through a customized and streamlined approach.

The Kentucky Skills Network is an innovative statewide system of workforce professionals who help employers recruit, hire and train employees for the careers of today and tomorrow. Kentucky Skills Network services include:

- No-cost recruitment and job placement services
- Customized training at reduced or no cost
- Training incentives for internal training needs
- Workforce preparation initiatives such as job placement assistance, apprenticeship-style education and community readiness programs

Last year, the Kentucky Skills Network provided training to 84,000 Kentucky workers and assisted 5,600 companies.

Certifying the Workforce

Kentucky's communities are stepping up to the plate when it comes to demonstrating the quality of their workforce. The state's Work Ready Communities program – the most rigorous workforce certification program in the nation – is inspiring meaningful dialogue and action by community, education, government and business leaders across the commonwealth.

A Kentucky Work Ready Community certification is a measure of a county's workforce quality. It is an assurance to business and industry that the community is committed to providing the highly skilled workforce required in today's competitive global economy. There are two levels of certification – counties can apply to be a Kentucky Work Ready Community or a Kentucky Work Ready Community in Progress.



KENTUCKY
Work Ready
COMMUNITIES 

43

Work Ready
Communities

52

Work Ready in
Progress

25

Communities with
letter of intent or in
formative stage



The certification measures high school graduation rates, National Career Readiness Certification completion, community commitment to workforce development, educational attainment, soft skills development and internet accessibility. This initiative encourages counties to take a credible inventory of the current and future workforce, identify gaps and carry out strategies to achieve a more knowledgeable, trained workforce.

With nearly 80% of Kentucky's counties already certified as either Work Ready or Work Ready in Progress, and the remainder of the state's counties in some stage of the journey, Kentucky is proving workforce preparedness is not just lip service.

Source: Kentucky Education & Workforce Development Cabinet

Workforce Training: A Program for Industry, by Industry

Imagine being able to train your future workforce while they're still in school. That's the KY FAME model.

The Kentucky Federation for Advanced Manufacturing Education (KY FAME) is an industry-led partnership that includes manufacturers, educational and workforce institutions and the Cabinet for Economic Development to create a pipeline of skilled workers.

KY FAME offers a dual-track, apprenticeship-style training program. Students attend classes two days per week at their local community and technical college and work three days a week for a sponsoring employer. Students completing the program receive an associate degree in applied science and real-world work experience. Armed with this unique skillset, they have the option of choosing to pursue a four-year degree, enter the workforce or continue down both paths.

KYFAME



Site Options

Finding the perfect location in Kentucky to start, relocate or grow a business is easy. From existing buildings to greenfield sites to megasites, we can accommodate companies of all shapes and sizes—and on any timetable. Need a pad, spec building or an existing facility? Kentucky has plenty of options all across the state from which to choose. Here are a few of Kentucky's special features:

Build-Ready

When a site is certified Build-Ready, it guarantees construction can bypass the red tape and break ground almost immediately. Communities that participate in the program already have a pad prepared and have taken care of such details as zoning, road surveys, geotechnical studies, permitting and cost and time estimates. Build-Ready drastically reduces the time it takes for a company to be operational and also allows communities to incorporate the specific needs of the company. For the latest list of Build-Ready sites, visit ced.ky.gov/buildready.

Kentucky Opportunity Zones - KY OZ

Kentucky is one of the first states to adopt the federal government's Opportunity Zone program. In Kentucky, 144 sites have been certified, meaning companies interested in locating or expanding in those specific areas have access to federal tax breaks.

Select Kentucky

Kentucky has a new simple tool that allows site selectors to search for a building, a site or more detailed information about potential locations. Select Kentucky, powered by Zoom Prospector, provides community profiles, workforce patterns, demographic information and other data for any area in Kentucky.



Kentucky Will Help You Succeed

SUPPORT FOR GROWING BUSINESSES

Here in the commonwealth, we offer all of the resources a business needs to get started and to thrive for years to come. Any company looking to locate or expand in Kentucky is sure to find the facilities, suppliers and partnerships needed to ensure long-term success. As the food and beverage industry continues to evolve, so too will Kentucky. That evolution will ensure Kentucky remains a national leader in the industry well into the future.

SPEEDY APPROVAL

As your partner, here are some of the services we will provide:

- Speedy approval processes
- Site evaluation assistance
- Detailed location data
- Assistance with site visits
- Financial incentives and training inducements
- Talent recruitment and training
- Assistance obtaining required permits and licenses
- Serving as your advocate with all involved agencies
- Growing our ecosystem around your business with connecting suppliers

SITE & LOCATION ASSISTANCE

FINANCIAL INCENTIVES

WORKFORCE ASSISTANCE

ADVOCATE ON YOUR BEHALF

We are happy to support you through the entire decision-making process, and we continue that service even after you choose Kentucky.

Consider Kentucky as your partner in your growth plans.
We stand ready to assist in any way to make your next venture a profitable one.

Please feel free to reach out to us at any time:

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