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KENTUCKY

F A R M B U R E A U N E W S



Legislative session enhances agriculture

The 2009 legislative session was dominated by budget issues but agriculture was not negatively impacted by the scramble to shore up state revenues.

"This session was unique in that although we weren't supposed to have a budget session in an odd-numbered year, the budget was the key issue because of the state's budget shortfall," explained Public Affairs Division Director Laura Knoth, adding that KFB did not have a large agenda for this session.

Several bills to enhance agriculture passed. House Bill 47 allows a 10 percent weight tolerance on vehicles hauling agriculture products. KFB argued that a slight tolerance was needed because few farmers have on-farm

scales to check for compliance while the weight on some farm products – particularly livestock and grain – can vary depending on weather and other conditions. The Kentucky Transportation Cabinet did not object to this provision. (The tolerance, however, does not apply to interstate highways)

House Bill 462 alters the grain insurance program, raising the payment cap from \$100,000 to \$200,000 and capping the fund at \$10 million with no producer assessment until the fund falls below \$3 million (it currently is at approximately \$4.8 million).

House Bill 153 creates a Kentucky Milk Commission to study pricing, marketing and production issues.

The hike in tobacco taxes was big news, but not objectionable to KFB because Kentucky's rate remains below surrounding states, thereby keeping Kentucky businesses competitive. Meanwhile, the sales tax exemption for alcohol was repealed, amounting to a six percent levy.

State lawmakers froze the 22.5-cent-a-gallon gas tax rate to prevent a four-cent drop that was scheduled to go into effect April 1. However, they retained the 22.2 percent level of the road fund targeted for rural roads.

"Since they didn't change the funding formula for rural roads, we didn't oppose the freeze," Ms. Knoth said.

All in all, it was a positive session for KFB policies, according to Ms. Knoth.

"During these short sessions there's just not enough time for a long list of complicated issues," she said in reference to KFB priority issues such as health care reform and energy policy.

The session concluded with continuing concerns about budget shortfalls in the face of a slumping economy. KFB's legislative team will be on guard for future tax proposals.

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Controversial "rendering" regulation delayed due to widespread objections

Objections from Farm Bureau and the livestock and animal rendering industries prompted the Food and Drug Administration to postpone implementation of a controversial regulation for rendering deadstock.

Originally scheduled to take effect April 27, the rule requires companies that render cattle to remove several materials, including the brain and spinal cord, before processing. The intent is to eliminate the possibility of contamination into processed animal feeds and quell safety concerns of some major trading partners.

The problem is that rendering companies – including those in Kentucky – say the new requirement will make their service too costly for most cattle producers. Nation Brothers Inc., a Shelby County company that picks up about nine million pounds of deadstock from

22 counties, suspended service because of the rule.

AFBF and 11 other farm groups asked the Obama administration to postpone implementation for at least 60 days to allow preparation of an impact report to present to FDA. The request was granted.

This issue also has attracted plenty of attention in Frankfort. The Kentucky House and Senate passed resolutions calling for a delay and their respective Agriculture Committees held hearings. KFB is working with the State Veterinarian's Office, the Governor's Office for Agricultural Policy and others to pursue solutions to the deadstock removal problem.

KFB Public Affairs Director Laura Knoth said the delay "gives agriculture an opportunity to develop solutions that must come from the ground up."

“COMMENT”

Nine years ago we initiated “KFB News” as a monthly vehicle to keep members informed about our programs and activities, as well as developments within the agriculture industry. That commitment continues today with this, the 100th issue.

During these 100 months this magazine has chronicled many changes at KFB and in Kentucky agriculture – plus has undergone some changes of its own. After beginning as a newsletter, we switched to a magazine-type format using cover photos of rural scenes. The covers have highlighted most everything common to Kentucky farms, from harvesting soybeans and grazing cattle to goat and grape production.

We also expanded the size from 12 to 16 pages and added a special “center section” devoted to production news. Meanwhile, several facets have remained constant, such as a markets report and a guest column which has featured a wide variety of perspectives and writers, including two governors and agriculture commissioners, both of our U.S. Senators, state legislative leaders, KFB leaders and various other state agriculture leaders.

It’s interesting to note some of the content from the first issue, in February 2001. The front page article about the AFBF annual meeting reported that KFB won 10 awards for program excellence. There was a feature story about how KFB leaders were very active with the county agriculture councils involved with the state’s agricultural development initiative (which at that time was just getting off the ground). Another article focused on a referendum on the tobacco program.

The guest columnist was yours truly as I took the opportunity to introduce the publication and explain its purpose.

In the years since, “KFB News” has reported on the amazing progress of the ag development initiative, the tobacco buyout program, the development of two farm bills, the election of two KFB Presidents, the growth of KFB’s program of work plus much, much more. All told, we’ve distributed more than 9.6 million copies.

I’ll conclude by repeating what I wrote 100 months ago: We believe it is incumbent on any service organization to effectively communicate with its most valued resource, its members. This publication will reflect that commitment.



David S. Beck

EXECUTIVE VICE PRESIDENT
KENTUCKY FARM BUREAU

ON THE COVER:

IT’S CHERRY BLOSSOM SEASON IN THE NATION’S CAPITAL.
PHOTO BY L. JOE CAIN

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Kentucky Farm Bureau is a voluntary organization of farm families and their allies dedicated to serving as the voice of agriculture by identifying problems, developing solutions and taking actions which will improve net farm income, achieve better economic opportunities and enhance the quality of life for all.

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“The Voice of Kentucky Agriculture”

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CONGRESSIONAL TOUR

Nearly 200 KFB members participated in this year's Congressional Tour, which was marked by somber discussions about the economic crisis gripping the nation. The Kentucky farmers, however, have much more on their plates; for example: Changing federal law to make farm labor more readily available, staying the course with the provisions of what has been an effective national farm policy and health care reforms that make insurance more affordable and services more accessible.

As always, the three-day event included tours of popular historical sites and the signature breakfast with the state's Congressional delegation. Senators Mitch McConnell and Jim Bunning and Representatives Hal



"THE (CONGRESSIONAL) MEMBERS WERE STRESSING THE IMPORTANCE OF GETTING THE ECONOMY BACK ON TRACK; THERE WERE VARYING OPINIONS ON HOW TO ADDRESS THAT, BUT ALL AGREED THE ECONOMY WOULD BE THE DOMINANT ISSUE OF THIS CONGRESS."

Rogers, Ed Whitfield, Geoff Davis, John Yarmuth and Brett Guthrie were on hand to speak with the group. AFBF President Bob Stallman also was present and, in a nice touch, sat with freshman Congressman Guthrie, a newcomer to the event and in dealing with Farm Bureau's national policies.

Following the breakfast Reps. Whitfield, Yarmuth and Guthrie met constituents at the hotel while Davis met his group at his office. Rogers, meanwhile, continued his longstanding tradition of giving a tour of the capitol building.

That afternoon the group assembled for a photo on the capitol steps, followed by the traditional meeting with Senators McConnell and Bunning at a Senate office building.

A day earlier the group received various “issues briefings” from AFBF staff and industry officials. Several members of AFBF’s Public Affairs staff warned the Kentuckians to be on guard for changes in environmental policies, particularly relative to the Clean Air Act and global warming. Kirk Ferrell of the National Pork Producers Council spoke about challenges to the animal agriculture industry. Fertilize Institute President Ford West gave an overview of the economics of farm inputs. Reynolds American Tobacco Company official Jeff Hogg spoke about a proposal for Food and Drug Administration regulation of the industry.

But again, it was the economic crisis that set the tone.

“The (Congressional) members were stressing the importance of getting the economy back on track; there were varying opinions on how to address that, but all agreed the economy would be the dominant issue of this Congress,” said L. Joe Cain, KFB’s Director of National Affairs.

“Generally speaking, they were very receptive to our issues and we were able to get our messages across in a positive tone. And we were encouraged that they were aware of our concerns about the FDA ban regarding deadstock disposal.” (Note: Many Kentucky cattle producers are concerned about how to dispose of carcasses after one of two Kentucky companies that picks up deadstock on farms ceased doing so due to a new federal regulation placing tight guidelines for rendering cattle and some other farm animals. KFB is part of an effort to find a state solution to the problem)



AFBF PRESIDENT BOB STALLMAN (CENTER) HAD BREAKFAST WITH FRESHMAN CONGRESSMAN BRETT GUTHRIE (TO THE RIGHT OF STALLMAN) AND HIS CONSTITUENTS FROM THE SECOND DISTRICT.



SENATOR MITCH MCCONNELL ADDRESSED A BIG CROWD AT THE BREAKFAST THAT HIGHLIGHTS THE THREE-DAY TOUR.

Photos by L. Joe Cain



ABOVE: JEFFERSON COUNTY FARM BUREAU'S LARRY BUTLER (RIGHT) PRESENTED A "FRIEND OF FARM BUREAU" AWARD TO JOHN YARMUTH.

RIGHT: HAL ROGERS GREETED CONSTITUENTS AT THE BREAKFAST. TO THE RIGHT OF THE DEAN OF KENTUCKY CONGRESSMEN ARE MARLENE HANEY, WIFE OF KFB PRESIDENT MARK HANEY; AND KFB DIRECTOR CARROLL AMYX OF WOLFE COUNTY.



FLANKED BY KFB PRESIDENT MARK HANEY, SENATOR JIM BUNNING ADDRESSED THE GROUP AT THE TRADITIONAL QUESTION-AND-ANSWER SESSION.



ABOVE: NEW 2ND DISTRICT CONGRESSMAN BRETT GUTHRIE SPOKE TO HIS GROUP FOLLOWING BREAKFAST.



KFB SECOND VICE PRESIDENT EDDIE MELTON (RIGHT) PRESENTED ED WHITFIELD WITH A "FRIEND OF FARM BUREAU" AWARD.



GEOFF DAVIS GREETED (FROM LEFT) ETHEL HUCK OF CAMPBELL COUNTY, ROSE SULLIVAN OF GALLATIN COUNTY AND MAYME WALTERS OF GALLATIN COUNTY AS HE ARRIVED AT THE BREAKFAST.

Photos by L. Joe Cain



FARM PRODUCTION NEWS

FERTILIZER COSTS MAY RISE AGAIN

FROM USDA-ERS

The recent decline in fertilizer prices may not be sustainable. While a deepening global economic slowdown would put downward pressure on fertilizer prices, fertilizer markets could also be affected by unforeseen weather events or by changes in global fertilizer trade. It is possible that the prices of U.S. fertilizers could again move higher this spring.

Crops requiring heavy application of fertilizers are not necessarily those for which fertilizer makes up the greatest share of total costs. Fertilizer use is relatively high for sugar beet, rice, and peanut producers, for example, but fer-

tilizer expenses amount to less than 20 percent of their operating costs.

Among major U.S. field crops, corn uses the most fertilizer, has the highest fertilizer costs per acre (\$93 at average 2007 prices), and has the highest fertilizer costs as a share of operating costs for planting, growing, and harvesting (41 percent). But producers of wheat, oats, and barley are also sensitive to fertilizer price swings, despite having relatively low fertilizer costs per acre (less than \$40), because fertilizer costs account for more than 30 percent of their operating costs.

Rising fertilizer prices make crops such as soybeans attractive alternatives to crops for which fertilizer costs are higher.

Soybeans compete for acreage with corn and other feed grains and wheat in the Corn Belt and Plains States. Higher fertilizer prices may encourage the cultivation of more soybeans and result in less acreage planted to corn, wheat, and other feed grains in these areas.

While higher farm commodity prices in 2008 offset much of the negative effect of higher fertilizer prices on farm incomes, fertilizer prices in the U.S. do not necessarily move in tandem with food and feed grain prices. Fertilizer prices approaching those experienced in late 2007, caused mainly by global demand and tight supply factors, might be sustainable even if U.S. and world commodity prices continue to soften.

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FARM PRODUCTION NEWS

Study affirms benefits of insecticides

The Crop Protection Research Institute (CPRI), a non-profit, non-advocacy organization created to advance the understanding of pesticide use in the U.S. through research and education, released a comprehensive study on the value of insecticides in U.S. crop production. The report is the culmination of a three-year effort focusing on 50 crops and examining the value of insecticides to production by crop, by state and by growers nationally. It demonstrates the enormous impact insecticides have in protecting the yields of numerous crops in the U.S. and in feeding millions of people while keeping food inexpensive and abundant.

CPRI's study makes clear that

without insecticides and the higher yields they provide, billions of pounds of apples, oranges, potatoes, and tomatoes would be lost in the United States annually if not for these front-line weapons against crop destroying pests. Consumers would pay higher prices for the staples that they and their families rely on, not just in the U.S. but around the world and during a challenging global economy not seen for decades.

The report details several key findings. Of the crops surveyed, 31 of 50 would suffer yield losses of 40 percent or greater and seven crops would see losses of over 70 percent without the use of insecticides.

"Without insecticides for control of crop-feeding insects, production of some

crops would be impossible in parts or all of the country," said Leonard Gianessi, director, CPRI. "With the introduction of synthetic insecticides in the 1950s, production of crops increased dramatically as a result of better insect control. In some cases, as with sweet corn production in Florida, the crop could not be produced at all before synthetic insecticides were made available."

Many agricultural commodities are vulnerable to the presence of aflatoxins and insect control is necessary to prevent its passage to the plant. Aflatoxin, a carcinogen, can cause liver and other cancers in humans, lowers the body's normal immune response, and can impair growth in children.



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KFB Beef Expo



WINNERS IN THE ANGUS SWEEPSTAKES POSED WITH KFB COMMODITIES DIRECTOR JEFF HARPER (LEFT), BEEF CATTLE ADVISORY COMMITTEE CHAIRMAN FRITZ GIESECKE (FIFTH FROM LEFT ON FRONT ROW), EXECUTIVE VICE PRESIDENT DAVID S. BECK (SECOND FROM RIGHT) AND SECOND VICE PRESIDENT EDDIE MELTON (THIRD FROM RIGHT).

The Kentucky Farm Bureau Beef Expo was held last month at the Kentucky Exposition Center with 225 consignors from 17 states. Total gross sales were \$752,560 on 524 lots, an average of \$1,447 per head.

The Kentucky Angus Sweepstakes sale had the highest gross, \$128,800, followed by the Simmental breed, \$90,935; Limousin breed, \$89,675 and the 11th annual pen heifer sale, \$83,130. All told there were 12 breed shows and sales in addition to the all breeds pen heifer event.

The top money-earner was a Chiangus bull, consigned by Ard Ridge of Nancy, which sold for \$13,500. Other Kentucky-consigned sales highlights included:

- The Supreme Champion Angus female, consigned by Sheldon Burks of Park City, sold for \$6,300 and another female, from Lauren Moss of Lancaster, fetched \$5,000.
- The Grand Champion Beefalo bull, consigned by Kyle Skidmore of Shepherdsville, sold for \$2,400..
- A female Charolais consigned by Rachel Williams of Salyersville sold

for \$2,500.

- A female Limousin from Englewood Farms of Lancaster brought \$5,500.
- A female Hereford consigned by Boyd Beef Cattle of May's Lick sold for \$4,750.
- The reserve champion Saler bull, consigned by Diamond J Farms of Eubank, went for \$5,000.
- The grand champion Shorthorn bull from Martindell Shorthorns in Hardyville fetched \$2,500.
- The grand champion female Simmental from Rocking P Livestock in Maysville sold for \$4,100.

Youth exhibitors showed 170 steers and 363 heifers at the Junior Show. The top five Kentucky steers were shown by Taylor Tolle of Taylorsville (2), Sarah Ayer of Calhoun (2) and Cody Emmons of Flemingsburg. Top five Kentucky heifers were shown by Taylor Tolle, Thomas Lundy of Bardstown, Blake Boyd of May's Lick, Emily Graves of Springfield and Ramsey Johnson of Winchester.



MCKENZIE GROVE OF STAMPING GROUND SHOWED AN ANGUS BULL OWNED BY HER BROTHER, NATHANIEL.

KFB leaders participated in the awards programs and the organization had an exhibit in the trade show. It was the 23rd rendition of the popular show and the second year in which KFB was the primary sponsor. The organization agreed to that role because the event was jeopardized by budget cuts at the Kentucky Department of Agriculture, which organizes the show.

AVAILABILITY OF LAND TOPS CONCERNS OF YOUNG FARMERS

Though confronted by numerous challenges, America's young farmers and ranchers express a high level of optimism about agriculture and say they are better off than they were five years ago. Those are the general findings of AFBF's 17th annual survey of young farmers and ranchers.

The young farmers, ages 18-35, said the availability of land and facilities, overall profitability and economic challenges continue to rank as their top concerns. However, reflecting a high degree of economic improvement, 89 percent of the respondents said they are better off than they were five years ago. The survey was conducted during AFBF's 2009 YF&R Conference in Sacramento, Calif.

Though the prices for many farm products have fallen sharply since last year and the Agriculture Department is forecasting a 20 percent decline in farm income this year, most of the young farmers surveyed expressed optimism about their chosen profession. Nearly half (48 percent) said they were more optimistic than five years ago, while just 20 percent said less optimistic and 32 percent said their level of optimism was the same.

Last year's survey showed that 90 percent indicated they were better off than they were five years ago, roughly the same as the 89 percent in this year's survey.

"We're facing very challenging times this year," said AFBF YF&R Committee Chair Mathew Meals, a first-generation crop farmer from Newville, Pa. "In good times as well as bad, optimism is the No. 1 job requirement for being a successful farmer and rancher. Farming has always been a difficult and challenging business, but most of us wouldn't trade it for any job in the world."

In ranking a list of common challenges facing farmers and ranchers, the availability of land and facilities was the top concern with 21.3 percent of the respondents. Overall profitability and economic challenges was second, cited by 17.1 percent. Government regulations was third at 12 percent, fol-

lowed by urbanization and the loss of farmland (8.3 percent), willingness of parents to turn over the reins of the operation (7.8 percent), competition from established or larger farms (6.7 percent), healthcare availability and cost (5.7 percent) and challenges presented by animal welfare groups (5.2 percent). Other challenges included topics such as availability of financing, labor availability and regulations, tax burdens, water availability and lack of rural services.

Regardless of those challenges, the survey also shows that a whopping 92 percent of the young farmer and ranchers see themselves as life-long farmers. In addition, an even larger percentage, 96 percent, say they would like to see their children follow in their footsteps. The survey shows that 80 percent believe their children will be able to

follow in their footsteps.

The survey also points out that roughly the same percentage thinks the American public feels positive toward farmers and ranchers as those who believe the public feels negative toward farmers and ranchers, at roughly 36 percent each. The remainder of those surveyed said "they don't think about us."

The survey also shows that America's farmers and ranchers are strong environmental stewards, with 65 percent saying that balancing environmental concerns with economic concerns is critical to their operations.

The vast majority, 76 percent, believe that federal farm policy should direct that farm income come totally from the marketplace (both domestic and international) while 24 percent believe farm income should be supplemented by government farm program payments.



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FRESH VEGETABLE PRODUCTION DECLINES BY TWO PERCENT

According to USDA's annual report, fresh-market vegetable production fell by two percent in 2007. This was the lowest output since 2002. Although average yield per acre continued to trend higher, production fell because of a three percent drop in harvested area. Fresh-market output dropped in 21 of the 37 surveyed states, with each of the top four producing states producing less fresh vegetables in 2008: California, -1%; Florida, -1%; Arizona, -10%; and Georgia, -4%. With lower volume outweighed by higher average prices, the farm value of U.S. fresh market vegetable production rose four percent to \$10.4 billion. California accounted for 50 percent of U.S. fresh market vegetable crop value in 2008, with Florida a distant second at 15 percent.

The recently released 2007 Census of Agriculture indicated that of the 69,172 farms reporting vegetable, potato, sweet potato or melon acreage, an estimated 62,495 farms, or 90 percent, produced for the fresh market. An estimated 4,791 farms produced vegetables for both the fresh and processing (preserved using heat) markets. Area devoted to fresh market vegetables in 2007 totaled 2.62 million acres - 56 percent of all vegetable area. Among the top 10 fresh-market states, Minnesota had the smallest share of area devoted to the fresh market at 13 percent, while Arizona had the greatest share at 96 percent. California, the top producer of fresh vegetables but also a leading source of processing vegetables, had 68 percent of its area geared toward the fresh market. Florida's fresh market share dropped from 96 percent in 2002 to 86 percent in 2007 as growers in the state have increased area for crops such as pickling cucumbers.

KENTUCKY CROPS TOP \$2.1 BILLION

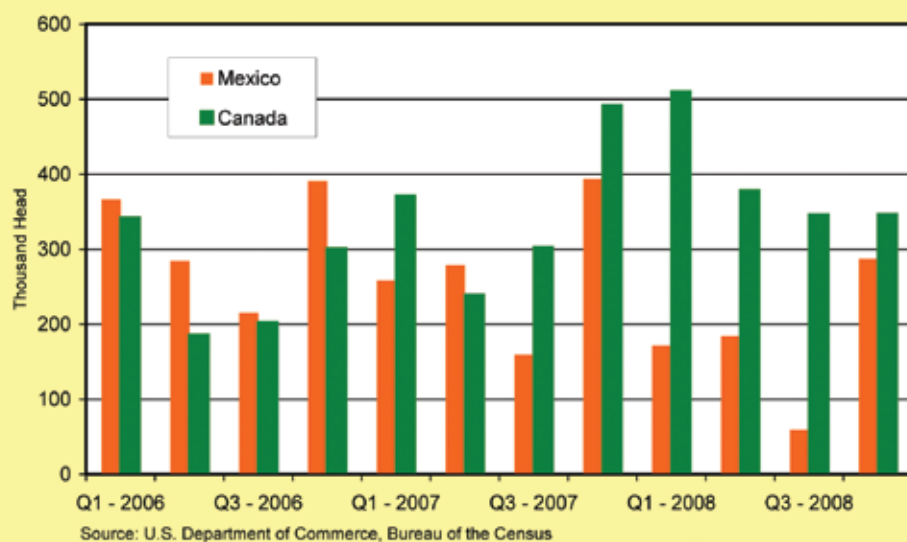
Crops produced by Kentucky farmers in 2008 are preliminarily valued at \$2.16 billion by USDA-NASS. This is up from the \$1.8 billion value put on the 2006 and 2007 crops. Crop prospects in 2008 were reduced by a cool, wet spring and a hot, dry summer. Corn, valued at \$616.9 million, continues to be Kentucky's number one cash crop, accounting for 28.5 percent of the total 2008 crop value. The second-

most valuable crop produced in 2008 is baled hay at \$547.9 million. Soybeans jumped to the third spot with a value of \$415.2 million, followed closely by tobacco at \$382.6 million. The wheat crop's value of \$186.2 million is nearly triple the 2007 value.

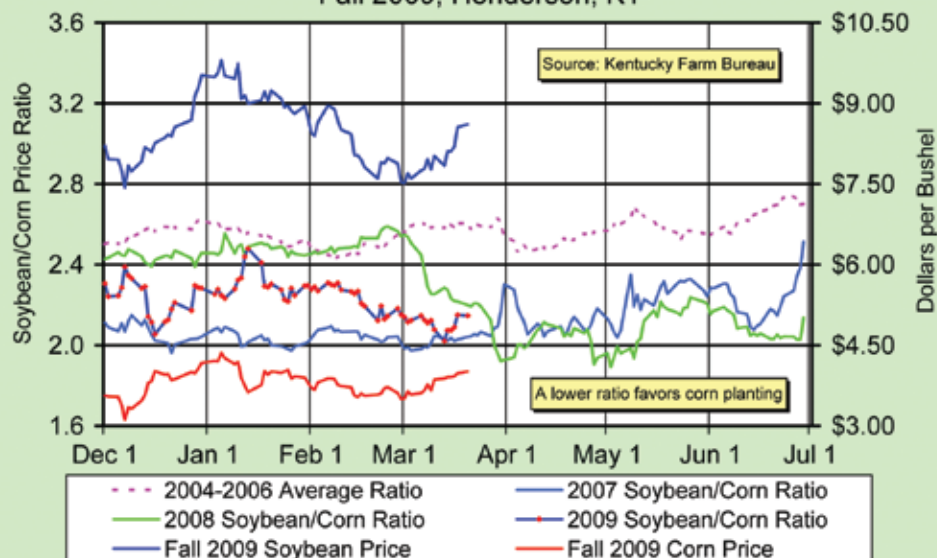
- Kentucky ranks 23rd among all states in total crop value.

- All crops produced in the U.S. for 2008 are valued at \$165.1 billion, down one percent from 2007.

U.S. Cattle Imports 2006 - 2008



Soybean/Corn Price Relationship Fall 2009, Henderson, KY



KFB RECOGNIZES "AG WEEK"

KFB and other Kentucky farm organizations highlighted agriculture's achievements as part of "National Agriculture Week," March 15-21.

In conjunction with the annual national recognition, Governor Steve Beshear designated March 20, the first day of spring, as "Agriculture Day in Kentucky."

"The agriculture industry across Kentucky continues to grow and change everyday, but

remains a strong, vital piece to Kentucky's economic strength," said KFB President Mark Haney. "Recognizing National Agriculture Day allows us to focus on the importance of farming to our society and the critical role agriculture plays in providing food, fiber, fuel and other materials we use daily."

KFB and other agricultural organizations took part in events across the state to promote how agriculture positively impacts us economically, environmentally, and socially.

County Farm Bureau Women's Committees were invited to visit elementary school classrooms across the state to read an agricultural book to students. They were then asked to discuss with the students the importance of agriculture in the hope of reaching Kentucky's next generation with factual and valuable agricultural information.

Kentucky farmers grossed \$4.82 billion from the sale of farm products in 2007, according to the Census of Agriculture, which is a 57 percent increase over the last census in 2002. The census showed 89 percent of Kentucky's 85,260 agricultural operations are still run by individuals or families, and most are still small farms. The number of farms declined one percent from 2002, but the size of farms increased one percent from an average of 160 to 164 acres.

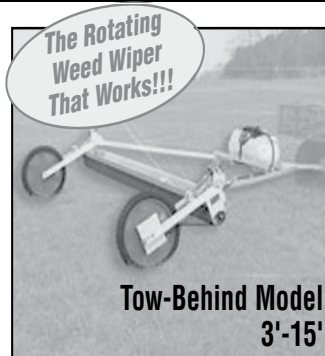
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FARM FILE



FARM CREDIT SERVICES EARNINGS ARE UP

Farm Credit Services of Mid-America announced financial results for 2008. The Louisville-based agriculture lending cooperative topped \$15.4 billion in owned and managed assets, an increase of \$2.1 billion over year-end 2007 results. At \$162 million, earnings were up almost three percent over 2007.

President and Chief Executive Officer Donnie Winters said, "In a year of turmoil in the financial markets and an economic recession unrivaled since the Great Depression, we achieved strong overall financial results and maintained a solid 13% capital position."

Operating, equipment and facility loan volume grew by 11.5 percent, while mortgage volume increased by 15.1 percent. Lease volume totaled \$423 million - up almost \$50 million from 2007.

The association experienced some deterioration in credit related statistics with an increase of loan losses last year. However, FCS entered the more challenging environment with record high credit quality and credit related measurements continued to exceed long-term goals and standards.

Winters added that major swings in commodity prices, coupled with an anticipated lower farm income and increased input costs, will come into play in 2009. "We intend to manage through as we have for nearly a century through strong credit quality, sound underwriting standards and a commitment to supporting the needs of farmers and rural communities we serve. Whether it's providing risk management tools such as crop insurance, reaching the marketplace in new and different ways through dealer credit programs and leasing, or endorsing stewardship initiatives that support our local communities, we plan to be there for farmers and rural America both today and in the future," he said.

KFB TV PROGRAM NOW SEEN OVERSEAS

"Bluegrass and Backroads," KFB's award-winning television program, is now being aired overseas as RURAL TV -- the world's first 24-hour international television network dedicated to crossing borders with farming, equine, rural lifestyle, and traditional country music entertainment programs -- has launched into over nine million United Kingdom television homes.

"Bluegrass and Backroads" is among the popular RFD-TV programs selected for the United Kingdom schedule. The weekly program is produced by KFB's Bob Shrader and Matt Hilton and hosted by Mike Feldhaus, interim director for the Communications Division and long-time radio broadcaster for the organization. The program won first place in the AFBF awards program last year.

LENDING PROGRAM FOR VETS IS UNDERWAY

The Kentucky Agricultural Finance Corporation (KAFC) approved its first applicant for the new Large/Food Animal Veterinary Loan Program. Dr. Melissa Lipps and her husband, Joe, of Shelbyville, received the first low-interest loan. Dr. Lipps is a partner in the Shelby Veterinary Clinic, which is one of the last remaining food animal practices in the area.

The Kentucky Agricultural Development Board allocated \$1 million

this past November to the KAFC to be used for low interest financing for veterinarians to establish or expand large/food animal veterinary services in Kentucky. Specifically the KAFC Large/Food Animal Veterinary Loan Program will provide low interest loans to assist individuals licensed to practice veterinary medicine in Kentucky who desire to construct, expand, equip or buy into a practice serving large/food animal producers.

KFB SEEKS TOP FARMER APPLICATIONS

KFB is accepting applications for Kentucky's representative in the Southeastern Farmer of the Year contest that is part of the annual Sunbelt Agricultural Exposition in Georgia. Application deadline is April 17.

Sponsored by Swisher International, the contest recognizes farmers for their commitment to excellence in the agricul-

ture industry and their efficiency in farming practices, sound financial management plus leadership in civic organizations.

The contest information and application can be found at www.kyfb.com. Interested farmers may also obtain an application from their county Farm Bureau office or by sending a request via e-mail to jmccants@kyfb.com.

ETHANOL PRODUCERS WANT 15 PERCENT BLEND

The nation's ethanol producers are urging the Obama administration to raise the 10 percent limit on ethanol in motor fuel to 15 percent or more, a move they hope will create new demand at a time when many distilleries are idle.

The producers say higher ethanol blends would help create jobs and reduce petroleum imports. Moreover, without a change in the 10 percent limit, ethanol makers say it could be difficult to fulfill a congressional mandate for renewable fuel use and the makers of new forms of ethanol, which rely on raw materials other than corn, could be locked out of the fuel market.

"This is about jobs, energy security for America, improving the environment and meeting our legal responsibilities under the 2006 energy bill," said retired Gen. Wesley Clark, co-chairman of Growth Energy, a group of ethanol firms.

Growth Energy requested a waiver from the Environmental Protection Agency to raise the ethanol content of motor fuel to 15 percent. Under the existing 10 percent limit, ethanol production would theoretically top out at 14 billion gallons a year based on current fuel consumption trends, or less because of transportation constraints that limit ethanol deliveries in many parts of the country.

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