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JANUARY 2009

KENTUCKY

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

ANNUAL MEETING



**Executive
Committee
for 2009**

MARK HANEY IS NEW KFB PRESIDENT

Pulaski County farmer Mark Haney, a KFB Director for 15 years and also a long-time leader in the state's horticulture industry, was elected without opposition to succeed the retiring Marshall Coyle as President of the organization. Clark County's John Hendricks moved up a notch to First Vice President and Webster County row crop and cattle producer Eddie Melton was selected to join the Executive Committee as Second Vice President.

Haney, who has served on the executive committee for 10 years, becomes the 22nd President in the 89-year history of KFB, the largest organization representing agricultural interests in Kentucky. He has been a director of the state board since 1993 and has served as First Vice President since 2005, following seven years as Second Vice President.

He also is a member of the Executive Committee of KFB Insurance Cos.

Haney has chaired the organiza-

tion's State Resolutions Committee and is a past president of the Kentucky Center for Cooperative Development and the Kentucky Horticultural Society.

A former President of the Pulaski County FB, Haney and his brother Don, produce apples and peaches near Nancy, where they also raise beef cattle. They sell fresh produce from their orchards – as well as cider, jellies and other products – at a KFB Certified Roadside Market located on the farm.

He and his wife, Marlene, have two sons and a daughter.

Hendricks, a KFB director since 1998, was elected to replace Haney. He is President of Clark County FB and is a member of the Clark County Soil Conservation board of directors, Cattlemen's Association and Ag Development Council.

On the national level, Hendricks has been appointed as a member of the AFBF Federal Deficit Task Force to help look for ways to bring the budget

back into balance. He is chairman of KFB's beef cattle advisory committee and was selected by Coyle to chair a task force studying policy for addressing the state's health care problems. He produces beef cattle, hay and vegetables on his family farm near Winchester. He and his wife, Mary Beth, have two sons.

Melton, a KFB Director from Webster County, joins the executive committee as Second Vice President to succeed Hendricks. A corn, soybean and beef producer, he is chairman of KFB's Feed Grains and Wheat Advisory Committee and is a former President of Webster County FB. He also was chairman of KFB's Farm Bill Task Force, which conducted statewide forums and sought input from Kentucky farmers on provisions of the 2008 farm bill.

Melton also is a Corn Growers Promotion Board director and vice chairman of the Southern States Cooperative board of directors. He and his wife, Regina, have a daughter.

Four new members were elected to the 32-member KFB Board of Directors: Carroll Amyx, Campton; Randy Chrisman, Lawrenceburg; Kevin Lyons, Tompkinsville; and Greg Harris, Richmond. Amyx replaces Marshall Coyle, who stepped down; Chrisman succeeds Paul Hornback of Shelby County; Harris comes on board as the new chairman of the Young Farmers Advisory Committee and Lyons was selected to represent county extension agents.

Other board members are: Randall Heath, Hickory; Tripp Furches, Murray; Kelly Thurman, Livermore; Steve Bolinger, Pembroke; J. Fritz Giesecke, Horse Cave; Larry Thomas, Elizabethtown; Patrick M. Henderson, Irvington; Russell Poore, Russellville; Jay Coleman, Cave City; Scott Travis, Taylorsville; David Chappell, Owenton;

Terry Rowlett, Campbellsburg; Danny Wilkinson, Columbia; Kim McCoy, Burkesville; Terry R. Gilbert, Danville; David L. Campbell, Stanford; Alex Barnett, Cynthiana; David McGlone, Grayson; Charlie Benge, London; Bige Hensley, Manchester; Terry Patterson, Elizabethtown; Frieda Heath, Hickory; Deborah Anderson, Frankfort; and Dr. Scott Smith, Lexington.

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“COMMENT”

Last month's annual meeting handed me one of the most gratifying moments of my life as I was elected president of this great organization. I am truly humbled by the trust our county leaders have placed in me and am honored to follow in the footsteps of Marshall Coyle, an effective leader and a wonderful person.

As you might expect, some of my friends have been needling me about not allowing my new position to, as they say, increase my hat size. I know they're joking, but I could understand that being a legitimate concern because a leadership position with Kentucky Farm Bureau truly is a big deal . . . and it's because our members have made it that way.

The dedicated work and commitment from our county leaders have made Kentucky Farm Bureau one of the most successful organizations in our state. We're widely regarded as "the voice of Kentucky agriculture." We have a significant impact on public policy at the local, state and national levels. We have a broad reach – from conducting youth development or safety programs in small rural communities to appearing before a Congressional committee in Washington D.C. to advocate policy affecting thousands of farm families.

And we operate Kentucky's leading property and casualty insurance company.

Indeed, a leadership position with Kentucky Farm Bureau carries a tremendous amount of responsibility and certainly cannot be taken lightly.

I've been told I'm unique in that I'm the first president who specializes in horticulture. My brother Don and I grow apples and peaches and operate a roadside market that is enrolled in KFB's Certified Roadside Farm Markets program. We also are beef cattle producers..

Although my farm operation differs from predecessors, my background with Farm Bureau is strikingly similar to many past presidents in that I became involved at a young age and moved through the ranks of our structure. And like the thousands of volunteer leaders who have served our organization over the years, I became active with Farm Bureau because I wanted to be involved in charting a course for my industry. I, like you, do not want to be a spectator when it's time to resolve problems or decide how to move forward.

And so I am very excited to have this opportunity to help guide KFB into the future. I'm also pleased that Vice Presidents John Hendricks and Eddie Melton join me on the Executive Committee. I've known both for many years and have found them to be a real pleasure to work with.

I look forward to the challenges we face in service to Kentucky farm families.



Mark Haney
PRESIDENT

ON THE COVER:

KFB'S NEW EXECUTIVE COMMITTEE CONSISTS OF (FROM LEFT) SECOND VICE PRESIDENT EDDIE MELTON, FIRST VICE PRESIDENT JOHN HENDRICKS, PRESIDENT MARK HANEY AND EXECUTIVE VICE PRESIDENT DAVID S. BECK.

PHOTO BY ROGER NESBITT

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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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John C. Hendricks	1st Vice President
Eddie Melton	2nd Vice President
David S. Beck	Executive Vice President

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Scott Smith	Lexington
Debbie Anderson	Shelbyville
Marshall Coyle	Owingsville

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ENERGY ISSUES ARE HIGH ON THE AGENDA



KFB PUBLIC AFFAIRS DIRECTOR LAURA KNOTH PRESENTED STATE REPRESENTATIVE TOMMY THOMPSON OF DAVIESS COUNTY WITH A LOUISVILLE SLUGGER BASEBALL BAT FOLLOWING HIS KEYNOTE ADDRESS AT THE PUBLIC AFFAIRS BREAKFAST. THOMPSON, WHO IS CHAIRMAN OF THE HOUSE BANKING AND INSURANCE COMMITTEE, VOICED HIS CONTINUING SUPPORT FOR FULL FUNDING OF THE STATE'S AGRICULTURAL DEVELOPMENT INITIATIVE.

KFB's voting delegates adopted dozens of pages of policy statements during the closing session of the 89th annual meeting last month and the Board of Directors approved condensed lists of priority issues for 2009.

Expansion of the state's renewable fuels industry will be KFB's primary focus during the 2009 session of the General Assembly. The organization will also ask lawmakers to deal with critical livestock issues and environmental concerns, and will work to protect private property rights for farmers.

Protecting agriculture's programs and services during the upcoming session of the General Assembly will be challenging, says KFB Public Affairs Director Laura Knoth.

"Kentucky's farming industry has just come off a growth year and is one of our state's bright spots in an otherwise strained economy," Knoth said. "We will want to make sure that progress is allowed to continue."

With forecasts of continuing declines in state revenues, the Farm

Bureau directors said allocation of half the state's tobacco settlement funds to finance agricultural diversification will continue to be a top priority.

Recent studies have indicated that the funds have produced positive economic results, boosting job numbers and increasing farm income.

The ag development program got an important endorsement at a Public Affairs Breakfast held earlier in the day. State Representative Tommy Thompson, who heads the Kentucky House of Representatives Banking and Insurance Committee, said he supports earmarking the funds for farm projects. Governor Steve Beshear also voiced his support during his comments at the Commodity Luncheon.

"We need to make sure those monies continue to go there, because we've seen the benefits," Thompson said. "We're getting dividends for those funds going to promote diversification."

Other state legislative priorities include:

- Limit local governments' ability

to enact farming regulations that are more stringent than state rules.

- Achieve reductions in wildlife populations to reduce crop losses and combat higher numbers of vehicle-animal collisions and the resulting damage and potential for injury.

- Protect farmers' ability to raise livestock using approved agricultural practices.

- Ensure that steep increases in property taxes are subject to voter referendum.

On the national level, KFB plans to closely monitor the U.S. Department of Agriculture's implementation of the new farm bill through its rule-making process. The group will ask Congress to eliminate a new mandate that producers purchase crop insurance to establish eligibility for crop disaster payment.

KFB also is asking for increased oversight of commodity markets to reduce manipulation of cash markets and the resulting artificial price swings.

CALLOWAY IS TOP COUNTY FOR 2008

Calloway County is the top county Farm Bureau for 2008, winning that honor in an awards competition recognizing overall excellence in member service and program participation. The top county award was the most prestigious of more than 100 membership, program and insurance awards handed out during a program at the annual meeting.

Calloway County, with 4,048 members, also garnered an award as the outstanding county in the largest membership classification, those counties with more than 3,800 members. Union County was named best among the small counties, those with 2,600 members or less, while Marion County was judged best among the mid-size membership group.

IN OTHER PRESENTATIONS

✓ Three growth awards were given to counties with the largest percentage of membership increase over their 2007 totals. Those plaques went to Kenton, Boone and Fulton counties.

✓ Outstanding county Farm Bureaus were designated in each of 11 districts. The winners were Barren, Bath, Breathitt, Calloway, Christian, Clark, Fayette, Hardin, Madison, Owen and Pulaski.

✓ McCreary County was designated as the most improved county Farm Bureau in 2008.

✓ Pacesetter awards were given to counties in each of the three membership categories that were first to achieve membership gain this year. For small counties, Ballard County was the winner. Boone County was the winner for mid-size counties and the award for large counties went to McCracken County.

✓ Allen and Taylor counties shared an award for most consecutive

THE GROUP FROM CALLOWAY COUNTY POSED WITH THEIR AWARD, JOINED BY MARSHALL COYLE AND DAVID S. BECK.

years with a gain in membership. Each of these counties has experienced 46 years of growth.

✓ Eleven counties won honors for having the highest member retention totals in their districts. Those winners were Ballard, Webster, Breckinridge, Green, Spencer, Campbell, Pulaski, Jackson, Lewis, Lawrence and Letcher counties.

✓ Three awards were given for the most effective county Farm Bureau information and public relations programs. First place was awarded to Calloway County, and Information Committee co-chairs Sharon Furches and Bob Cornelison. Brenda Stenger with Union County placed second, while third place went to Barren County, chaired by Betty Barrick.

✓ Five counties won awards for policy growth and profitability produced by their local Farm Bureau insurance agencies. The winning counties were McLean, Barren, Campbell, Anderson and Fleming. The awards were expense-paid trips for each county's agency manager, county president and their spouses to the AFBF annual meeting.



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ALLEN COUNTY COUPLE ARE TOP YOUNG FARM FAMILY

Bart and Sarah Jones of Allen County were named winner of KFB's annual Outstanding Young Farm Family contest. They won a Kubota RTV courtesy of KFB Insurance and Kubota, \$1,000 cash from Premier Crop Insurance, a \$1,000 voucher from Pioneer Seed, a \$500 voucher from Southern States Cooperative, a \$300 voucher from Miles Seed, a \$250 voucher from Valvoline and a portable safe from Misty Morn Safe Company. They also get an expense-paid trip to compete in AFBF's national young farmer finals.

Second place went to Jeremy and Joanna Hinton of Larue County. They received 300 hours free use of a Kubota tractor, \$750 from Premier Crop Insurance, a \$300 voucher from Southern States Cooperative and a \$200 voucher from Miles Seed. Third place winners were Shane and Stephanie Wiseman of Clark County. They won 100 hours free use of a New Holland tractor, \$500 from Premier Crop Insurance plus a \$200 voucher from Southern States Cooperative and \$100 from Miles Seed.

Judging for the contest is based primarily on farm management skills, financial growth plus Farm Bureau and community involvement. Couples and single persons up to 35 years old are eligible.

Following are profiles of the award winners:

BART AND SARAH JONES

The Joneses' Red Hill Farms consists of 120 purebred sows, 200 Red Angus and Simmental cows and 120 acres of burley tobacco. The swine operation provides breeding stock to customers throughout the United States as well as some foreign countries. They produce high-quality cattle for a sale each March and have expanded burley production from six acres in 1998 to the current 120 acres in response to the abolishment of the production quota program.

Bart manages the daily operation and has four full-time employees. He also uses seasonal migrant labor to work with the tobacco. Sarah, a certified public accountant who holds an

accounting degree from Western Kentucky University, manages the farm's financial records. She also has an accounting practice.

Bart said he emphasizes customer relations.

"We have learned from the swine business the value of customer relations and are also assisting cattle customers in feed contracting, herd health programs and retained ownership. We also assist customers with their feed commodity contracting needs. These services benefit our operations because customers continue to purchase from us."

Bart also cures country hams for friends, neighbors and family. His annual sale of bulls and females, initiated two years ago, quickly has become a successful event. "We showcase our cattle, serve lunch and educate our fellow cattlemen on the progressive breeding program and the services we

provide," Bart said.

The business has expanded dramatically in recent years with the addition of a swine breeding facility and a greenhouse for producing tobacco plants. The Joneses are also considering additional expansion of the tobacco enterprise for 2009, planning to invest in new spraying equipment, additional curing facilities and another 50-horsepower tractor.

"We enjoy farm life and have a strong desire to make a life in agriculture," Bart explained.

Bart has been a director of Allen County FB since 1998 and the couple currently co-chair the county's young farmer committee. Sarah also serves on the women's committee.

The couple are members of both the Kentucky and Tennessee Pork Producers Associations. Bart is a director for the Kentucky Red Angus Association. While at Oklahoma State, Bart was on a national championship meat judging team. He and Sarah won numerous awards at 4-H livestock shows. Sarah was a regional finalist in the FFA's prestigious "Star Farmer" program.

They have a two-year-old son.

JEREMY AND JOANNA HINTON

Jeremy and Joanna Hinton operate Hinton's Orchard and Farm Market near Hodgenville. The farm retail market is at the center of their fruit and vegetable business. They grow apples, peaches, pumpkins and a variety of vegetables all for retail sale either through their market or local farmer's markets. The couple also raises Holstein calves for an area dairy.

The Hintons share responsibilities on their farm. Jeremy is responsible for seed, fertilizer and chemical purchases, as well as planting, applying chemicals and fertilizers and managing harvest. He also serves as the voice for radio advertisements and designs their annual corn maze. Joanna is in charge of market



THE JONESES

sales on Saturdays and assists in market preparation of fruits and vegetables. She also designs displays and prepares food items sold from their commercial kitchen.

Jeremy said determining customer needs is crucial for their operation. "We spend a great deal of time listening to our customers and monitoring their purchases to determine the most popular items. This helps us in planning our crops for future years," he explained.

Jeremy is also an independent crop insurance agent, working with over 250 producers to provide risk management products for corn, soybeans, wheat and tobacco. He said working with producers during the tobacco marketing period has allowed him to network with potential customers.

The Hinton's business has expanded dramatically since the beginning of their orchard operation in 2002. Word of mouth has helped tremendously, and was an important factor in the increase of their school field trips from 150 kids in the first year to over 1,600 children in 2007. They have also developed festivals that highlight different crops for

each season, such as their "Pumpkinfest" every October.

Jeremy has been on the Larue County FB board of directors since 1999. Both Jeremy and Joanna have been Certified Roadside Market Program members since 2002.

Jeremy also serves as the vice president for the State Horticulture Society and has served in various officer positions in the Young Farmer Association. Joanna has been a member of the County Young Farmer Committee since 2004 and is the County Political Education Committee Chairman. In 2003 the Hinton's won the KFB Young Farmer Excellence in Agriculture contest.

They have a four-year-old son and a one-year-old daughter.

SHANE AND STEPHANIE WISEMAN

The Wisemans are the fourth generation to farm on family land. They own, manage and rent over 3,000 acres where they produce beef cattle, hay, corn, soybeans, wheat and tobacco. In addition, Shane is an agriculture teacher and FFA advisor.

Shane and Stephanie work together to do all the purchasing and maintenance of their equipment. They also work to constantly improve their pasture and hay fields and review the entire operation annually.

The Wisemans have worked to perfect their operation by making sure their cattle receive the best treatment. They wrap hay to improve forage quality in the winter, which increased milk production and daily weight gain on the yearlings. They also take annual soil sam-

ples to ensure the highest quality crop can be produced.

In addition to managing the farm, the Wisemans also purchase used farm equipment for resale to generate extra income. "It also helps us to have extra equipment available if needed, such as an extra tractor at harvest time," said Shane.

The Wisemans are pleased with the size of their operation, but they hope to increase the number of owned acres and decrease the number of rented acres. They also look to increase the amount of hay storage they have for rolled hay from the current 20 percent to 80 percent in the next five years.

Shane has been on his County Farm Bureau board of directors since 1995 and serves as chairman for both the Ag Development and Agribusiness Tour Committee. He and Stephanie are also members of their county's Cattleman's Association.

They have two sons, ages seven and five, and a two-year-old daughter.



THE WISEMANS



THE HINTONS

❖ ECONOMIC OUTLOOK IS SHAKY ❖

BY CAROL L. SPENCE
UK COLLEGE OF
AGRICULTURE

Though the increase in farm cash receipts for 2008 won't match 2007's double-figure increase, it will rise seven percent to \$4.7 billion, continuing a two-year record-breaking trend. Agricultural economists with the UK College of Agriculture predict the overall cash receipts for 2009 will decline slightly.

"What we've seen this year is that gross income improvements are being driven from the crop side, rather than from the animal side," said Economist Lee Meyer. "Historically livestock have contributed about two-thirds to farm cash receipts."

Meyer, fellow economists Kenny Burdine, Will Snell, Cory Walters and Tim Woods and Kentucky Farm Management Program Business Coordinator Jerry Pierce presented an overview and outlook of the Kentucky farm economy as part of KFB's annual meeting.

Though Kentucky's farm economy still leans toward the animal side, the estimated livestock receipts of \$2.7 billion, about 57 percent of the total receipts, showed a decline in 2008, probably due to effects of the drought and overall lower prices for horses and cattle.

On the other hand, high crop prices

spurred crop receipts, which rose about 40 percent, an increase of \$600 million over the 2007 level. Crops contributed 43 percent to the total cash receipts. The state has seen dramatically higher income from corn, soybeans and especially wheat. Corn rose 51 percent to \$701 million, soybeans were up 41 percent and wheat was about three times the 2007 level.

Cory Walters, UK agricultural economist, said the 2008 corn crop, driven by an increase in both acreage and yields, is expected to be the second largest on record, topped only by the 2004 crop.

The 2009 grain crops will be influenced by global consumption; financial, energy and currency markets; and crop development in the southern hemisphere. The latter particularly will affect soybeans and wheat.

Vegetable production continues to climb in Kentucky. UK Agricultural Economist Tim Woods said Kentucky has more than doubled cash receipts from vegetables over the past 10 years, with total vegetable acreage for 2008 being up 17 percent over 2007. There was a strong demand for locally grown products, and wholesale vegetable prices were exceptionally strong. Nursery and greenhouse sales have been hit hard by the slowdown in housing with forecasts of a continuing slump. This sector peaked at around \$80 million in 2006. Still, according to Woods, horticulture only makes up about three percent of all farm cash receipts in the state.

Will Snell, UK agricultural economist, forecasts tobacco income in 2008 to have risen 13 percent to \$375 million, its highest level since 2004. He attributed the estimated six percent increase in Kentucky's overall crop to increased acreage in dark tobacco, which grew by more than 40 percent. This is well beyond pre-buyout levels.

Input prices steeply rose in all sectors. Livestock feed was up about 20 percent, fertilizer prices rose by more than one-third and fuel costs increased by 25 percent. Despite the increase in production costs, net farm income rose by more than 10 percent.

Meyer predicts a slight decline of

two percent in overall cash receipts in 2009. Based on the strength of the state's poultry industry and on modest improvements in the equine industry, Meyer said livestock receipts are forecast to increase to about \$2.7 billion, though cattle and dairy likely will continue their decline. Income from crops is likely to decline by six percent, down to \$1.9 billion.

The recession and accompanying factors will provide a set of unique challenges for farmers in the upcoming year, Meyer said.

"The weak economy is going to hurt in a couple of ways," he said. "One is reduced demand for food products. It could also affect land prices, though we're not sure what impact that could have. We don't think there's the same vulnerability now as there was in the early 1980s when farmers were borrowing every last dollar to expand their farms. Farmers' equity would go down, but it won't necessarily hurt their ability to farm except for the few farmers who are marginal in terms of equity."

Meyer said exchange rates probably will be one of the biggest economic factors in 2009. Since the summer, there has been a 15 percent increase in the value of the dollar compared to benchmark currencies, after a 45 percent decline from 2002 to mid-2008, which Meyer said is likely to affect continued expansion of exports.

Snell agrees.

"I think the global recession along with the strengthening dollar will hurt our export demand which is critical to our state's ag economy. Plus our government payments will likely fall as (tobacco) buyout payments diminish," he said.

On the plus side, however; interest rates are going to stay low and production costs are not expected to go up the way they did this year, though they will still be of some concern.

"In fact, they're probably going to go down a little bit next year," Meyer said. "Government payments (excluding buyouts) will probably stay pretty stable. So we think the net farm income should not change much in 2009."

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KFB RANKS SECOND IN MEMBERSHIP GAIN

Farm Bureau's national membership rose to 6,243,286 member families in 2008, marking 48 consecutive years of membership growth. KFB ranked second in single largest gain, growing by 8,440 members, for a total of 470,934.

AFBF President Bob Stallman said growth is especially remarkable given the economic challenges facing the nation. He credited strong programs of advocacy and services offered by state Farm Bureaus for the organization's national membership growth.

"Dedicated Farm Bureau members and their elected lead-

ers at the county and state levels are the force behind our membership growth," Stallman said. "Farm Bureau is a true, grass-roots organization and this membership accomplishment sets a positive tone as AFBF heads into its 90th anniversary year. We've certainly come a long way from early 1919 when farmers from 12 states met with the goal of forming a national organization to represent all of American agriculture."

Texas Farm Bureau had the single largest gain of 17,424 members, bringing its membership to 422,159.

Besides Texas and Kentucky, other states with significant growth included Tennessee, which grew by 7,051 members to

636,078; Alabama, which gained 6,765 members to 440,465; and North Carolina, which grew by 6,079 members to 498,834. Tennessee FB remains the largest in the nation.

Delaware had the single largest percentage membership gain, growing 29.5 percent to 4,344 member families. Rounding out the top five by percentage of growth were Massachusetts (6.7 percent), West Virginia (6.7 percent), Maryland (6.5 percent) and Utah (5 percent). The Northeast had the largest percentage of growth, 2.5 percent.

Kentucky was among 14 states to earn Navigator Awards for exceptional membership growth, plus was among 34 states to reach membership quota.

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TONY BRANNON HONORED FOR SERVICE TO AGRICULTURE



DR. TONY BRANNON AND WIFE LISA RECEIVE AWARD FROM MARSHALL COYLE AND DAVID S. BECK.

Dr. Tony L. Brannon, Dean of the School of Agriculture at Murray State University, was named winner of KFB's annual award for distinguished service to agriculture.

Brannon, 48, was raised on a farm in Henry County, Tennessee. He received Bachelor's and Master's degrees from Murray State prior to earning a Doctorate in Agricultural Education from Oklahoma State University. He earned his Doctorate following five years as an agriculture teacher in Trenton, Tennessee.

Brannon returned to MSU in 1988 as assistant professor in the Agriculture Department. He became a full professor in 2000 and then was named interim director of the School of Agriculture in 2004. He has been dean since 2005.

Under Brannon's leadership the School of Agriculture has rapidly expanded, particularly in the field of ag education. Meanwhile, he has emerged as a leader within the state's ag industry. He is serving a second term as chairman of the Kentucky Agricultural Council and last year completed a two-year tenure as chairman of the Kentucky Task Force on the Future of Agriculture. That group gave Governor

Steve Beshear and state legislative leaders a detailed plan for continued growth of the state's ag industry. During that project Brannon presided over a series of six regional forums with farmers and farm interests to develop recommendations.

Brannon has been a member of the FFA Foundation Board of Directors for over 15 years and was instrumental in helping to secure a \$2 million endowment for the foundation from the Kentucky Agricultural Development Board. The nomination form states that "Dr. Brannon's primary service to the agriculture industry in Kentucky has been through his service to secondary and higher education."

Calloway County FB nominated Brannon for the award and the application included many letters of recommendation from prominent civic and agricultural leaders, including State Senator Kenneth W. Winters, who as President of MSU hired Brannon in 1988. Said Winters: "Tony has proven to be one of the best hiring decisions that I ever made. He is a dear friend to his students and the farmers across Kentucky."

Current MSU President Dr. Randy Dunn said Brannon "has not only nurtured the School of Agriculture at Murray State into a program of excellence, but he has given of himself to lead the agricultural community of Kentucky."

He and his brother, Tim, operate a 550-acre farming operation with row crops and cattle. A new enterprise on the farm is 15 acres of switchgrass for bio-mass production. That plot is being used by MSU for a pilot research project for cellulosic ethanol production.

Brannon has been active in several agricultural organizations, including the Kentucky Soybean Association, Calloway County Extension Service and the Agribusiness Association of Kentucky. He's also active with the Murray-Calloway County Chamber of Commerce.

"He works tirelessly for the people he represents and always strives to promote the industry," said Calloway County farmer Tripp Furches, a Director of KFB.

Brannon and his wife, Lisa, have two children: Caleb, 12; and Jonah, 9.

EVAN McCORD WINS KFB AWARD



EVAN AND LILLIAN MCCORD RECEIVE THE AWARD FROM DAVID S. BECK AND MARSHALL COYLE.

Madison County farmer Evan McCord won the 2008 award for Distinguished Service to Farm Bureau. McCord, 60, has served on the board of Madison County FB for 34 years, including two four-year terms as president. He served on KFB's Board of Directors for 10 years. During that period he served on AFBF's Labor Committee, as well as KFB's Tobacco Public Relations Committee.

Membership in Madison County FB has more than doubled during McCord's years as a director and the program of service has greatly expanded, particularly with community projects.

"Evan's involvement in community affairs has helped enhance Farm Bureau as the voice of agriculture in Madison County," said Madison County FB President Kevin Fields. "Evan has helped increase the public standing by his involvement in numerous organization and farm events. The community relates Farm Bureau to Evan because of his leadership role in the organization."

McCord has been a director for the Richmond Chamber of Commerce and Community Trust Bank. He served as chairman of the Madison County Fair Board. He currently serves on the coun-

ty's agricultural council which oversees local ag development projects under Kentucky's historic "Phase One Tobacco Settlement Fund." He's also President of the Madison County Beef Cattle Association, Chairman of the local Southern States Cooperative and a member of the Council for Burley Tobacco and Madison County Extension Council.

McCord has operated a farm for 37 years, focusing on tobacco and beef cattle. He constructed the first cable hoist tobacco barn in the state and was the county's first farmer to raise tobacco seedlings in a greenhouse via a float bed system that is now commonplace. His farm has been used for numerous tobacco "field days" to show farmers innovative production practices.

Fields noted that Madison County FB has made significant progress during McCord's many years in leadership. "He has enhanced our visibility and effectiveness," Fields said.

Among the advances are a county-wide scrap metal collection program, a college scholarship program, a membership discount program and the addition of a second insurance agency to serve

the Berea area. The county also built a new Richmond office.

McCord also is credited with helping Farm Bureau establish and maintain a good working relationship with its state legislators.

McCord and his wife, Lillian, have one daughter.

RUSSELL COUNTY NURSE RECEIVES WOMEN'S GRANT

Bridgett Kean of Russell County was named Recipient of the KFB Women's Educational Grant. She was recognized at the Gold Star Luncheon during last month's annual meeting.

The \$1,500 grant is awarded annually to a female non-traditional student who is interested in resuming her education after leaving school to fulfill either family or work-related responsibilities. Monies for the grant are raised through the leadership of the Women's Advisory Committee.

Kean, a licensed practical nurse, is currently employed with the Lake Cumberland District Health Department as a school nurse, where she helps registered nurses give children physicals. The grant will allow her to pursue her dream by registering in the associate degree nursing program at Somerset Community College.

BROILER PRODUCTION DECLINING

The pattern which began in October 2008 of much smaller year-over-year broiler chick placements in the 19-state reporting area continued into December. The five-week average was running 7-8 percent below the same period in 2007. For the first eleven months of 2008, placements averaged a decline of two percent. Despite substantially lower feed costs the past few months, the poultry industry has been cutting production as a result of operating losses earlier in the year. A large poultry company filed for Chapter 11 bankruptcy in early December; how this may impact future poultry production is not known at this time. The economic downturn in the U.S. and across the globe will lessen meat demand. In the December WASDE Report, USDA lowered its 2009 forecasts for beef, pork and broiler production, all of which are down from 2008 production levels. USDA expects 2009 annual average prices to exceed 2008's for all three species. Broilers could average 81-87 cents per pound compared to 79.7 cents in 2008.

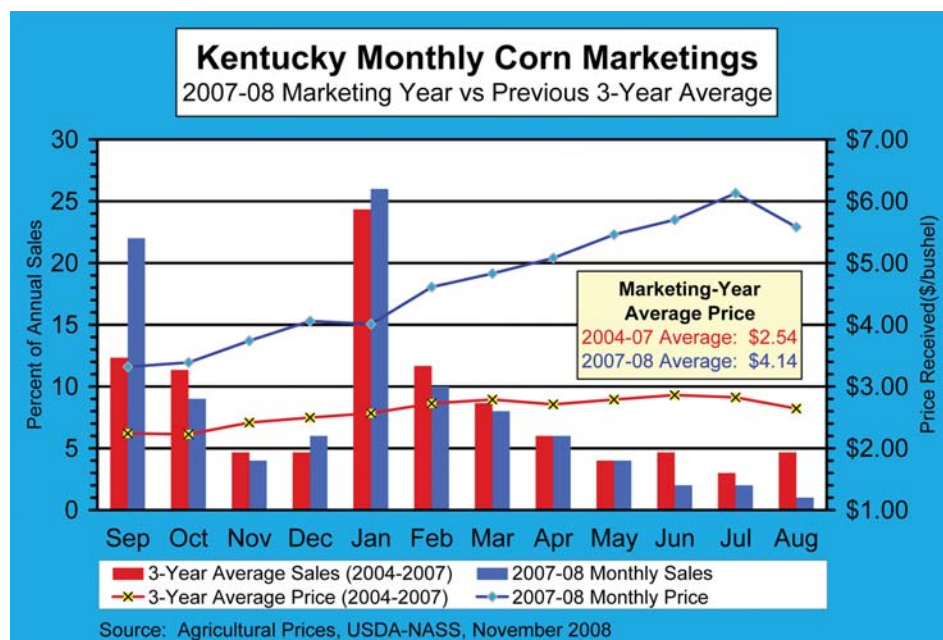
SEASONAL CROP PRICES ADJUSTED

In its December WASDE report, USDA updated its forecasts of the season average price U.S. farmers will receive for their 2008 crops. For wheat, the average price is forecast \$6.40-7.00, above the \$6.48 received for the 2007 crop and \$4.26 for 2006. Farmers may average \$3.65-4.35 per bushel for corn marketed in 2008/09; this compares to \$4.20 last year and \$3.04 in 2006/07. 2008/09 soybean prices could average between \$8.25 and \$9.75, down from the 2007/08 average of \$10.10, but much higher than \$6.43 seen two years ago. The 2008 sorghum crop is expected to average \$3.00-3.60, down from 2007's \$4.08 and similar to 2006's \$3.29.

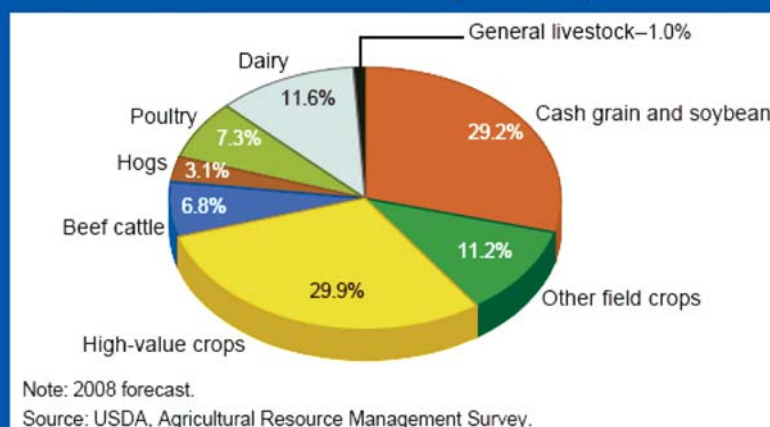
SOYBEAN PRICE AND DEMAND IS LOWER

According to USDA, the November soybean oil price averaged 31.6 cents per pound, the lowest price in 19 months. A sharp decline in petroleum prices has reduced the value of soybean oil for producing biodiesel. For 2008/09, more abundant global supplies of oilseeds and vegetable oils will moderate import requirements. USDA expects soybean oil to lose market share to palm oil, sunflowers seed oil and rapeseed oil. Soybean oil is expected to account for 19 percent of global vegetable oil exports in 2008/09, compared to 21 percent last year. U.S. exports of soybean oil are forecast at 2.05 billion pounds, down from 2.91 billion last year.

Domestic use of soybean oil for 2008/09 is forecast at 18 billion pounds, down 327 million pounds from 2007/08.



Distribution of U.S. Net Value Added by Farm Production Specialty, 2008



Source: Agricultural Income and Finance Outlook, USDA-ERS, December 2008

OUTSTANDING YOUTH ARE SELECTED



Cameron Lile of Metcalfe County and Benjamin Lane of Caldwell County were selected winners of the Outstanding Farm Bureau Youth contest at the annual meeting. They won \$2,000 college scholarships and trips to Washington, D.C. on the 2009 Congressional Tour in February.

Runners-up in the contest were Janna Imel of Greenup County and Cory Dodds of Livingston County. They received \$200 cash awards and digital cameras. Congeniality awards, which were voted by their fellow contestants, were won by Auburn Sutton of Lyon County and Brian Reynolds of Hart County.

The award winners were selected from 21 district finalists out of more than 150 young people who competed in county and district contests over the past several months. Judging for the contests was done in personal interviews conducted during afternoon annual meeting sessions. Points were awarded for contestants' leadership record, conversational ability and scholastic achievement.

Other contestants among the finalists were Hannah Dockery, Hopkins County; Valerie Hobbs, Meade County; Logan Fugate, Logan County; Amanda Houck, Nelson County; Benjamin Martin, Fayette County; Beth Engler, Franklin County; Lauren Dyer, Cumberland County; Tyler Miller, Pulaski County; Stacy Thacker, Garrard County; Logan Goggin, Boyle County; Miranda Sergent, Fleming County; Kenneth Bowen, Pendleton County; Joshua Moore, Martin County; Jennifer Michelle White, Breathitt County; and Mackenzie Kern, Laurel County.

Anthem Blue Cross and Blue Shield provided luggage sets for the winners, cameras for the runners-up and luggage pieces for all 21 contestants.

KFB gave watches to the winners and cash awards to the runners-up. The organization also sponsored the winners' scholarships and Washington tour expenses, as well as \$100 awards to the congeniality winners and \$100 for each contestant for winning district competitions.

BENJAMIN LANE AND CAMERON LILE ARE THE 2008 OUTSTANDING YOUTH CONTEST WINNERS.

HOLLY DAVIS WINS DISCUSSION MEET

Holly Davis of Taylor County won first place in the Discussion Meet, a competitive event for young farmers held during the annual meeting. She was selected tops among 19 other entrants in the event which began with a first round last summer. Davis, who teaches an agricultural curriculum at a middle school in Nelson County, won the choice of a Kawasaki 4x4 ATV or a Kawasaki Mule donated by Southern Farm Bureau Life Insurance Company. She also won \$500 from Dodge Division of DaimlerChrysler plus a voucher for Kawasaki accessories from Jacobi Sales, Inc.



HOLLY DAVIS RECEIVED THE DISCUSSION MEET AWARD FROM JOHN HENDRICKS AND DAVID S. BECK

Runner-up was Rob Ison of Crittenden County, who received \$1,000 cash sponsored by KFB. The two other finalists in the state finals were Rob Cole of Fayette County and John M. Hendricks of Clark County. They received \$200 cash awards from KFB.

The Discussion Meet tests entrants on their basic knowledge of critical farm issues and their ability to respond in a panel setting to differing points of view. The topic debated by the four finalists asked "How can Farm Bureau better utilize the talents of young leaders in the organization?"

WOMEN, YOUNG FARMERS SELECT LEADERS



Greg Harris of Madison County is the new chairman of the Young Farmers Advisory Committee while Frieda Heath of Graves County remains chair of the Women's Advisory Committee. Harris replaces Ryan Bivens of LaRue County, who served in the young farmer post one year.

The new vice chair of the young farmers group is Chris Ragan of Warren County and the secretary is Jenny McElwain of Muhlenberg County.

Phyllis Amyx of Wolfe County was re-elected first vice chair and Michelle Armstrong of Spencer County was re-elected second vice chair of the women's

committee.

There are 12 members comprising both singles and married couples of the young farmers committee. Those members for 2009, including the officers, are:

Scott Bridges, Trigg County; Jay and Jenny McElwain, Muhlenberg County; Fred C. Sipes, Meade County; Chris and Heather Ragan, Warren County; Brad and Elizabeth Mattingly, Marion County; John Russell and Kristal New, Owen County; Stephen and Cookie DeBord, Pulaski County; Greg and Contessa Harris, Madison County; Terry and Deborah Ishmael, Fleming County; Steven and Richelle

FRIEDA HEATH WAS RE-ELECTED AS CHAIR OF THE WOMEN'S ADVISORY COMMITTEE.

Bach, Bath County; Damon and Heather Lewis, Putney; and Ryan and Misty Bivens, LaRue County.

Members of the Women's Advisory Committee, in addition to the three officers are: Bettie Wallace, Caldwell County; Betty Farris, Butler County; Vickie Bryant, Monroe County; Pam Chappell, Owen County; Carol Sullivan, Taylor County; Jeanne Ellis, Robertson County; Margaret Hensley, Clay County; Cathy Pleasants, Lincoln County; and Terry Gilbert, Boyle County.

UNION COUNTY AGENT WINS PR AWARD

Union County Extension Agent Rankin E. Powell was selected to receive the 22nd annual KFB Farm Public Relations Award. The award recognizes Kentuckians who make significant contributions to a better public understanding of agriculture.

Powell writes agriculture-related columns for the Union County Advocate and Sturgis News newspapers

that serve Union County and twice-a-week hosts a radio show broadcast on WMSK-AM and WMSK-FM.

For his radio shows and weekly newspaper columns, Powell provides information on crops, livestock and ag-related policies. He also discusses upcoming events of interest to the farmers and the communities he serves and offers commentary on breaking news

relevant to agriculture.

Powell, who also is a grain farmer, is often a source for reporters at larger print and broadcast outlets for information on farming in Union County and state and national agriculture policies. In addition, he has arranged for Evansville, Ind., television stations that serve the area to broadcast from ag-related events in Union County.

Executive Committee participates in legislative rural issues meeting

Just four days after their election to the leadership posts at KFB, Executive Committee members Mark Haney, John Hendricks and Eddie Melton appeared before a legislative subcommittee to outline the organization's priority issues for the 2009 legislative session.

Haney, who succeeds the retiring Marshall Coyle as President, covered a variety of issues during his presentation, ranging from health care reforms to the regulation of farm truck weights.

The rural issues subcommittee meeting focused on agriculture's agenda for the upcoming session, with other presentations coming from the Department of Agriculture, Governor's Office for Agricultural Policy, the University of Kentucky College of Agriculture and the Kentucky Agriculture Council.

Haney told the lawmakers that health care reform was the top concern of KFB members. Farm families are greatly concerned about soaring health insurance costs and the accessibility of health care, Haney said, adding that KFB has been working with insurance and health care providers to identify problems and develop solutions.

Farm interests also are hopeful that the General Assembly will support measures to enhance the production of renewable fuels. "We believe there is great potential for biomass and biodiesel," Haney said.

The KFB leader was quick to praise the legislators for their continuing support of the state's agricultural development initiative fueled by monies from the Phase One tobacco settlement. Earlier, UK College of Agriculture Dean Scott Smith told the group that a recent study concluded that the state's investment was paying dividends in terms of increased farm income.

The state's largest farm organization also is concerned about how the



KFB PRESIDENT MARK HANEY SPEAKS TO THE LAWMAKERS, FLANKED BY VICE PRESIDENTS JOHN HENDRICKS (LEFT) AND EDDIE MELTON.

state's budget crisis could impact the Department of Agriculture.

"We're very aware of the budget situation; we know it's tough," Haney said. "But we hope the department can continue to move forward with programs like Kentucky Proud (a program that promotes Kentucky farm products). I'm a member of that program and can tell you it is succeeding."

Haney went on to express KFB's interest in strengthening the state road fund. "Good roads are very important to us . . . they get the consumer to the farm and our products to the market."

Subcommittee Chairman Mike Denham, D-Maysville, praised Farm Bureau for its work in the legislative process, saying the organization's legislative agents were "always helpful." Co-chairman Vernie McGaha, a Republican Senator from Russell Springs, said he was especially pleased that one of his constituents (Haney) is president of Kentucky Farm Bureau. He described Haney as "a successful businessman" and "a man of integrity."

The committee also includes Rep. Tommy Turner, who's from Haney's county (Pulaski).





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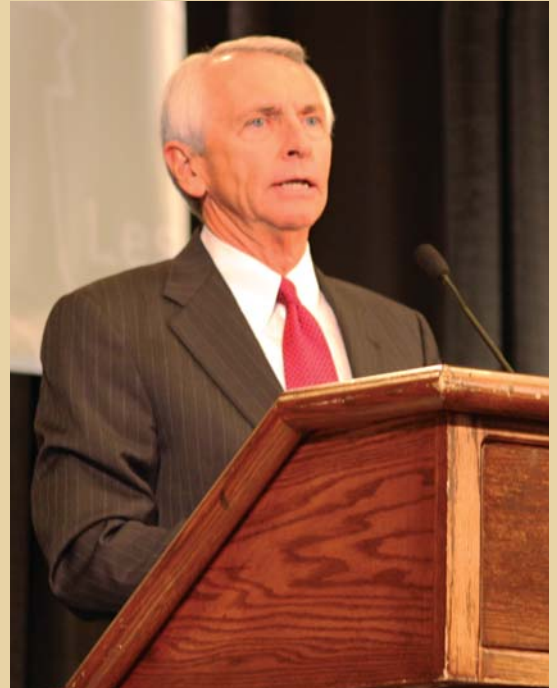
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SCENES FROM THE ANNUAL MEETING ...



MARSHALL COYLE PRESENTED SENATOR MITCH McCONNELL WITH A NATIONAL "FRIEND OF FARM BUREAU" AWARD FOLLOWING THE SENATOR'S REMARKS AT A BUSINESS SESSION.



GOVERNOR STEVE BESHEAR WAS THE KEYNOTE SPEAKER AT THE COMMODITY LUNCHEON. HE VOICED CONTINUING SUPPORT FOR FUNDING KENTUCKY'S AGRICULTURAL DEVELOPMENT INITIATIVE.



THE VARIETY SHOW PERFORMERS TOOK A BOW AT THE END OF THEIR PERFORMANCES.