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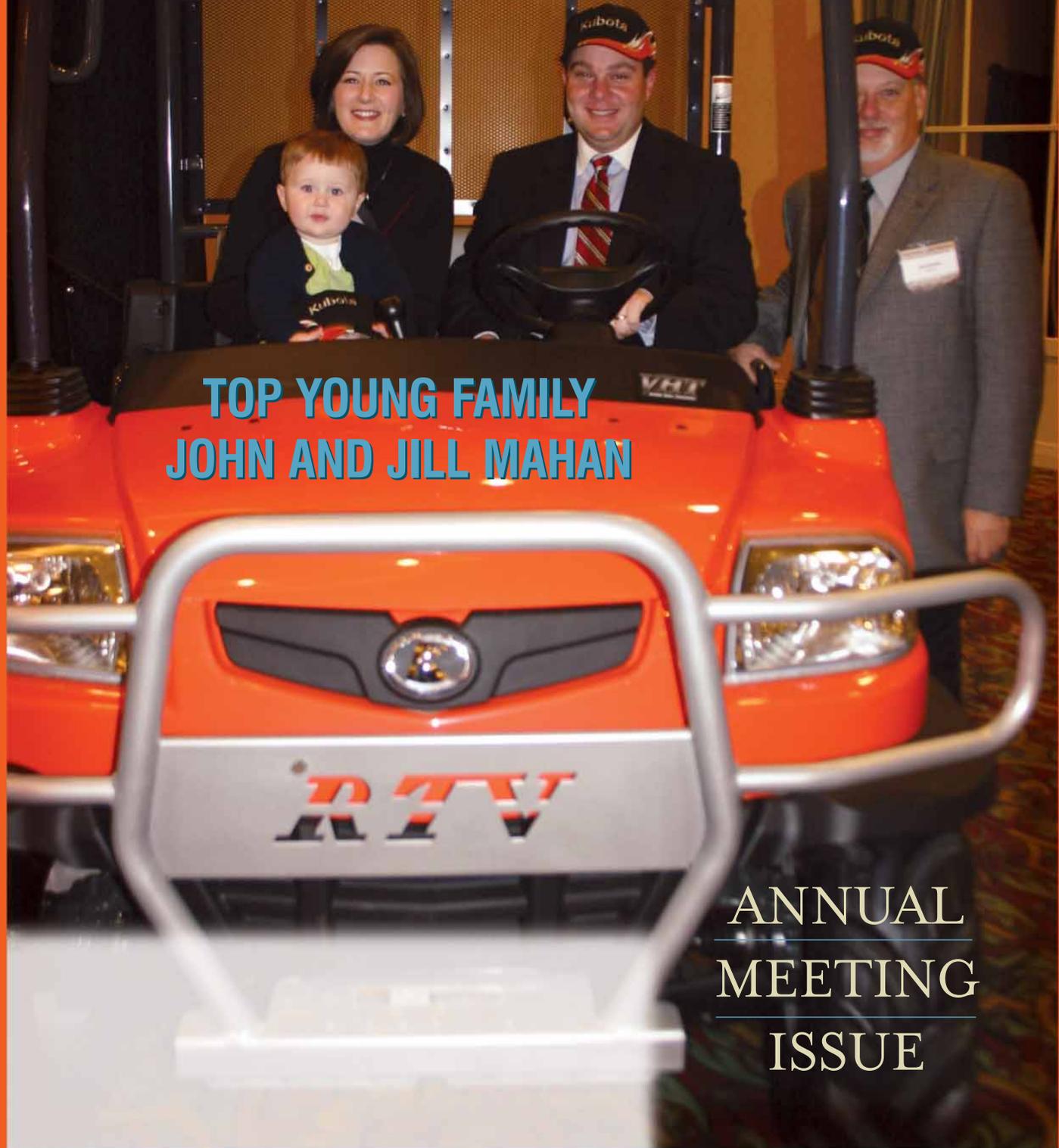
JANUARY 2007

# KENTUCKY

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

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# “COMMENT”

**K**FB enters the new year following what many said was our best annual meeting ever. More than 1,300 members were on hand to enjoy a very eventful agenda. Our staff is to be commended for a great job in planning and conducting this event. After a year as president, I find myself echoing what Sam Moore often said — that we have the best staff of any organization, anywhere.

We had a tremendous group of speakers. We were especially pleased to have Agriculture Secretary Mike Johanns give the keynote address at the commodity luncheon. He certainly didn't disappoint the sellout crowd as he assessed the prospects for the farm bill and the World Trade Organization negotiations. Besides being a brilliant and very caring individual, Secretary Johanns is simply a nice guy. It was truly an honor to have him on our program.

The commodity lunch program also featured a warm welcome from Louisville Metro Mayor Jerry Abramson and a “state of Kentucky agriculture” address by Agriculture Commissioner Richie Farmer.

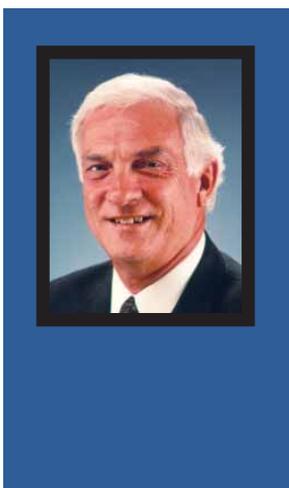
As always, Senator Mitch McConnell was a delight to listen to. He's as good as they come at captivating an audience with a mix of humor, perspective and timely information. Our members always seem to hinge on his every word; and rightfully so, because he has been a tremendous ally of our organization.

Dave Petitjean, a humorist and a Louisiana Farm Bureau member, had 'em rolling in the aisles, as they say, with his comments to a general session audience. And, of course, we were delighted to have AFBF President Bob Stallman as the keynote speaker at the public affairs breakfast.

The many highlights also included the “Agricultural Economic Outlook Conference” conducted by economists from the UK College of Agriculture. This has become one of the most popular events, and for good reason. The presenters do an outstanding job of exploring the economic prospects for our major commodities. This year's conference was far and away the most positive we've seen with good outlooks for all but one of the major farm commodities in Kentucky.

The achievements of our young people took center stage on several occasions amid a wave of awards that were handed out. A special salute goes to Madison County Farm Bureau, which received the top county award for 2006.

Policy, of course, was priority one. For an overview of the priority issues, turn to page four of this publication.



## **Marshall Coyle**

**PRESIDENT**

### **ON THE COVER:**

OYFF AWARD WINNERS JOHN AND JILL MAHAN, WITH THEIR 18-MONTH-OLD SON, LANE, CHECKED OUT THE KUBOTA RTV THAT WAS AMONG THEIR PRIZES. THEY WERE JOINED BY DON BARKER OF KUBOTA. 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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# Money issues top policy agenda for 2007

**K**FB will seek full funding for improvements to the state's livestock disease diagnostic centers and press for better treatment of small business during the 2007 session of the General Assembly.

The organization will also ask lawmakers to grant full state income tax deductibility for health savings accounts, to match federal provisions, and support establishing a producer-funded boll weevil eradication program to help cotton producers in Western Kentucky.

Voting delegates adopted dozens of pages of policy statements during the closing session of the group's 87th annual meeting in Louisville, and the KFB Board of Directors approved condensed lists of priority issues for the year ahead. The board also approved a long-range plan developed by various committees consisting of staff and volunteer members. The plans encompass recommendations to strengthen the effectiveness of the program of work for public policy, public relations and promotions, member services and operations.

On the national level, KFB will ask Kentucky's Congressional delegation to support maintaining the structure of current commodity and natural resource programs as new farm bill legislation is debated next year.

And the group voiced strong support for further development of renewable fuels such as ethanol and biodiesel and for new technology which allows the use of coal in the production of nitrogen-based fertilizers.

At the state level, Public Affairs Director Laura Knoth said planned upgrades to diagnostic labs in Lexington and Hopkinsville are important both in terms of the animal agriculture industry and for public safety and



SENATOR MITCH MCCONNELL SAID KENTUCKY WOULD BE WELL REPRESENTED IN THE FARM BILL PROCESS.

homeland security impacts.

"Caseloads at both the facilities have really increased over the past several years, and with such threats as BSE and avian flu out there we expect that use of the labs will continue to expand," Knoth said.

She noted that improvements to the Lexington lab, which specializes in equine cases, were funded during the 2006 legislative session but later vetoed by Gov. Ernie Fletcher.

"We're very interested in restoring the allocation for the Lexington facility, but we think it's equally important that funding be approved for capital expansion at the West Kentucky lab and we plan to make our case aggressively with the legislature," Knoth said.

KFB plans to work closely with the Small Business Caucus on health insurance and tax matters. The coalition wants to see a portion of state economic development incentives earmarked for small business development.

Knoth said the recruitment of agribusinesses is vital to establish mar-

kets for ag producers. The companies often employ small workforces, but provide huge economic impacts in their regions.

At the federal level, the farm bill rewrite will be the primary focus for the ag industry in 2007. U.S. Agriculture Secretary Mike Johanns told the annual meeting crowd that he expects Congress will enact new legislation giving agriculture a leg up in the areas of foreign trade, conservation and energy.

He acknowledged that the federal budget is tighter now than in 2002, when the current farm bill was enacted. But he said deficit reduction is ahead of the Bush Administration's established timetable, and those improvements bode well for the ag industry.

AFBF President Bob Stallman, addressing a Public Affairs breakfast, expressed optimism that the new Congress would look favorably on Farm Bureau's farm bill goals.

Incoming Democratic leaders of agriculture committees in the House and Senate have proven track records supporting sound agriculture policies, Stallman noted. In fact, Iowa Senator Tom Harkin, who is expected to chair the Senate panel next year, was in charge of that chamber's input during the 2002 process.

Kentucky Senator Mitch McConnell, who recently was elected Republican Leader of the Senate, also took an optimistic tone about farmers' prospects in Congress for the next two years.

He told the annual meeting delegates he will work closely with Farm Bureau through his seat on the Senate Agriculture Committee as the farm bill is crafted.

"Nothing happens in the Senate without some level of consensus," he said. "Kentucky will be well represented during this process."

# MEMBERSHIP EXCEEDS SIX MILLION



# W

ith Alabama re-establishing its membership, Farm

Bureau membership across the nation has surpassed the six million mark, to 6,199,285 members. The milestone was passed as state Farm Bureaus reported 486,770 additional members, including the 431,384 from Alabama Farmers Federation.

This is the largest growth in the history of the organization, according to AFBF President Bob Stallman.

“Reaching the six-million-member mark is a matter of pride for the organization, its leaders and everyone who believes in Farm Bureau’s mission,” Stallman said. “It has been another challenging economic year for many of America’s farm families, due to drought and other factors, but our membership strength will bolster Farm Bureau as we work with our members

and for our members to surface new ideas and solutions in the coming year.”

Tennessee Farm Bureau continues to claim the title of the nation’s largest state Farm Bureau, with 619,951 member families. Joining Tennessee in the 2006 “top 10” membership states are: North Carolina, 487,614; Kentucky, 453,123; Alabama, 431,384; Georgia, 429,710; Illinois, 417,618; Texas, 395,854; Indiana, 282,537; Mississippi, 235,125 and Arkansas, 230,076.

Following the “top 10” states in total membership for 2006 were nine other states with more than 100,000 members, including: Ohio, 229,616; Michigan, 201,177; Oklahoma, 166,355; Iowa, 153,401; Virginia, 148,194; Louisiana, 147,858; Florida, 143,979; South Carolina, 130,568 and Kansas, 109,244.

Georgia Farm Bureau, the nation’s fifth largest, achieved the largest 2006 membership gain — 17,024 member

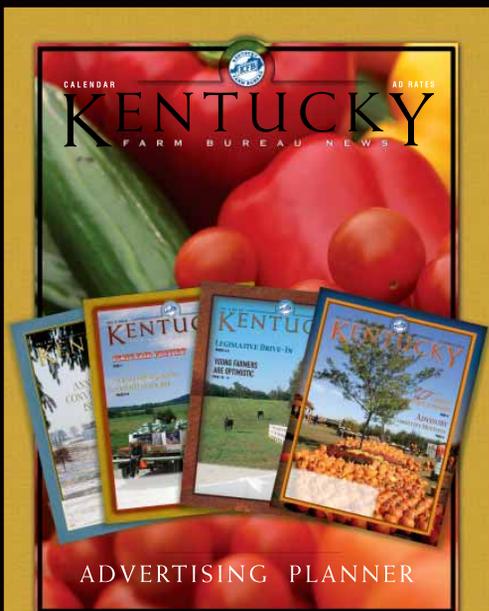
families. Tennessee’s membership increase of 11,700 was the second largest membership gain. Texas Farm Bureau posted the third highest gain — 7,991 new members. The Kentucky Farm Bureau posted the fourth highest membership gain with 5,959 new members. The fifth highest increase was Florida Farm Bureau with 5,642 new members.

The state with the largest percentage gain in membership was Nevada with a 19.96 percent gain. Second was Alaska Farm Bureau with a 14.85 percent gain. Maryland also increased by double-digit percentage — 11.76 percent.

A total of 34 states reached membership quota increases during 2006; this is three more than last year.

“Across the board, Farm Bureau members can be proud of the unified voice for agriculture they have formed across the country,” said Stallman.

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# Executive Committee re-elected

**K**FB's Executive Committee remains intact for 2007 while the 32-member Board of Directors will have five new members.

Bath County farmer Marshall Coyle was re-elected president without opposition and drew a standing ovation from a crowd of hundreds at the concluding business session of the annual meeting. Coyle is well known to KFB leaders across the state; he has served on the board since 1976.

He vowed to continue to work tirelessly on behalf of the state's largest farm organization.

"I am very honored to serve as your president," Coyle told the crowd, "and I pledge that I will give it everything I have to represent you well. I am very fortunate to be surrounded by some excellent people and to be supported by my wonderful wife (Phyllis). I look forward to the challenges ahead."

Mark Haney was re-elected First Vice President and Clark County's John Hendricks won another term as Second Vice President. Neither were opposed.

Haney, who joined the board in 1993, and his brother, Don, operate an orchard and beef cattle farm near Nancy. He is chairman of KFB's Resolutions Committee, which is one of the most important posts in the organization.

Hendricks produces beef cattle, hay and vegetables on a 640-acre family farm near Winchester. He is chairman of KFB's Beef Cattle Advisory Committee and also served on a nation-



MARSHALL COYLE CONGRATULATED MARK HANEY ON HIS RE-ELECTION.

al committee that assessed the nation's beef cattle checkoff program and made recommendations. Coyle recently appointed Hendricks to lead a committee examining health insurance options for KFB members.

In other developments, Shelby County's Paul Hornback returns to the board after a one-year absence, winning a seat from District 5 along with Scott Travis, a Spencer County row crop, tobacco and hay producer. A large-scale tobacco producer, Hornback long has been a leader and popular spokesman for tobacco farmers. He formerly chaired KFB's Farm Labor Advisory Committee and is regarded as an expert on farm labor issues.

Travis and his wife, Robbie, were winners of KFB's Outstanding Young Farm Family award.

Henry County dairy farmer Terry Rowlett was selected to replace the retiring Robert Reed Bush from District

6. Daniel Gaston of Logan County goes on the board as the new chairman of the young farmer's committee and UK College of Agriculture Dean Scott Smith replaces Dr. Larry Turner, who passed away last year.

Also retiring from the board is Fayette County's Jim Mahan.

Other members of the KFB Board of Directors are Randall Heath of Graves County, Tripp Furches of Calloway County, Kelly Thurman of McLean County, Eddie Melton of Webster County, Steve Bolinger of Christian County, J. Fritz Giesecke of Hart County, Larry Thomas of Hardin County, Pat Henderson of Breckinridge County, Al Pedigo of Allen County, Russell Poore of Logan County, David Chappell of Owen County, Danny Wilkinson of Adair County, Kim McCoy of Cumberland County, Terry Gilbert of Boyle County, David Campbell of Lincoln County, Alex Barnett of Harrison County, David McGlone of Carter County, Charlie Bengé of Laurel County and Bige Hensley of Clay County.

Cathy Pleasants of Lincoln County represents the KFB Women's Committee, Terry Patterson of Hardin County is from the insurance agents' association, Rodney Kelly of Frankfort represents the Kentucky Department of Education, Jerry Little of Boyle County is from the agricultural extension agents and Sam Moore of Butler County has a spot as past president.

## Women, young farmers choose leaders

**D**aniel Gaston, Russellville, is the new chair of the Young Farmers Advisory Committee, and Cathy Pleasants, Stanford was re-elected chair of the Women's Advisory Committee.

Gaston replaces Daniel Smith, Stamping Ground, who served in the young farmer post one year. The new vice chair of the young farmers group is Ryan Bivens, Hodgenville, and the secretary is Alison Smith from Stamping Ground.

Frieda Heath of Hickory, was re-elected first vice chair, and Phyllis Amyx, Campton, was re-elected second

vice chair of the women's committee. Jane Elam from Lexington will serve on the executive committee as immediate past chair.

There are 11 members comprising both singles and married couples of the young farmers committee. Those members for 2007, including the officers, are: Chris and Misty Thorn, Almo; Micah and Lauren Lester, Gracey; Ryan and Misty Bivens, Hodgenville; Daniel and Amy Gaston, Russellville; Eric Sweazy, Taylorsville; Daniel and Alison Smith, Stamping Ground; Stephen Williams, Monticello; Jason

and Tori Gaffney, Lancaster; Robert McClanahan, Butler; Brent and Angela Blankenship, Pikeville and Shad and Melanie Baker, Jenkins.

Members of the Women's Advisory Committee, in addition to the three officers are: Bettie

Wallace, Princeton; Betty Farris, Roundhill; Vickie Bryant, Tompkinsville; Michelle Armstrong, Taylorsville; Pam Chappell, Owenton; Carol Sullivan, Campbellsville; Jeanne Ellis, Mt. Olivet; Margaret Hensley, Manchester; and Terry Gilbert, Danville.

# Madison County is tops

**M**adison County captured the first-place award in KFB's annual "top county" competition while Butler County was named tops among small counties (2,150 members or less) and Marion County was judged best for counties with 2,151 to 3,300 members.

The prestigious top county award headlined more than 100 membership program and insurance awards presented during a breakfast at the annual meeting. Madison County has 5,723 members, two agencies and a variety of effective service programs. The federation board has a longstanding record of exemplary service to the county's agriculture industry. Madison County continually ranks among the state leaders in the production of beef cattle and burley tobacco.

In other presentations:

- Owsley, Simpson and Shelby counties received top growth awards for having the largest percentage of membership gain from 2005.
- District awards went to Calloway, Christian, Butler, Monroe, Fayette, Owen, Pulaski, Madison, Clark, Wolfe and Breathitt counties.
- Carter County was recognized as the most improved county in the state.
- Pacesetter awards went to counties in the three membership classifications that were first to achieve a membership gain in 2006. Campbell County was the winner among large counties, followed by Simpson and Owsley counties. Simpson won its award for



THE GROUP FROM MADISON COUNTY CELEBRATED THE TOP COUNTY DESIGNATION.

the second consecutive year.

- Allen and Taylor counties were honored for having 44 consecutive years of growth.
- Scott County was recognized for having the most effective information program, followed by Lincoln, Monroe and Hardin counties.
- Hancock, Breckinridge, Campbell, Clay and Carter counties won awards for policy growth by their local agencies.



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## GM has discounts for KFB members

**K**FB has initiated a new member services program that provides discounts on the purchases of GM vehicles. The new program, which took effect on January 4, replaces the previous arrangement with Dodge.

Under the GM program, \$500 member discounts are available toward the purchase of more than 70 GM models, including Buick, Cadillac, Chevrolet, GMC, Pontiac, Hummer, Saab and Saturn. Additionally, a \$750 discount is available for the 17 E-85 (flex fuel) vehicles manufactured by GM.

All GM dealers in Kentucky are participating. To qualify, you must be a paid member for at least 30 days prior to the purchase and must present your membership card at the time of purchase.

KFB Executive Vice President David S. Beck said the GM program will serve a broader segment of members because it provides more vehicle choices and a greater number of dealers.

"It's an enhanced service to members," Beck said. "We feel this will be well accepted throughout the state."

# Fayette County couple are top farm family

John and Jill Mahan of Fayette County were selected winners of KFB's annual Outstanding Young Farm Family contest. They received a Kubota RTV courtesy of KFB Insurance and Kubota, \$1,000 cash from Premier Crop Insurance, \$500 from the Dodge Truck Division of Daimler-Chrysler, a \$500 voucher from Southern States Cooperative and a \$600 voucher from Miles Seed. They also will get an expense-paid trip to Salt Lake City to compete in the national young farmer finals.

Second place went to Mitchel and Gala Logsdon of Hart County. They received 300 hours free use of a Kubota tractor, \$750 from Premier and a \$300 voucher from Southern States Cooperative. Third place winners were Scott and Mary Ann Porter of Fleming County. They received 100 hours free use of a New Holland tractor, \$500 from Premier plus a \$200 voucher from Southern States Cooperative.

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:

## John and Jill Mahan

The Mahans have a diversified operation with tobacco, grain, beef cattle and alfalfa hay. They also recycle horse muck from nearby farms and have a turfgrass sod company.

John is a fourth-generation farmer whose great grandfather was the first agricultural extension agent in the state. Jill comes from a fifth-generation family farm. He majored in Production Agriculture at the University of Kentucky. Jill has a Communications Degree

from Morehead State University. She works fulltime in the farming operation, handling recordkeeping, payroll and personnel matters.

The Mahans have been farming for 13 years. They own 251 acres and operate on an additional 1,400 acres. This year they had 22 acres of tobacco, 125 acres of wheat, 535 acres of soybeans, 88 acres of turfgrass, 50 acres of corn and 24 acres of alfalfa. They also have around 100 beef calves.

The muck operation has been especially successful.

"Our farming operation is right in the middle of horse country," John explained, "and so we came up with a way to profit from the biggest byproduct of the thoroughbred industry. We have partnered with a local hay and straw broker to rebale the slightly used straw muck. The broker delivers the muck to our farm, where we begin the recycling process. We are paid for every semi load that is produced."

The Mahans also board horses.

"We have several enterprises other than traditional agriculture that complement and diversify our farming operation as well as better utilize our labor force," John said. "Each of these enterprises is targeted at our surrounding markets. We simply recognized a need and figured out how to profit from it."

John is a director of Fayette County Farm Bureau and is on the board of the Kentucky Corn Growers Association. He's a member of the county extension service steering committee, National Hay Growers Association, Turfgrass Producers International and Kentucky Soybean Association. He's also a graduate of the Philip Morris Ag Leadership Program, as well as Kentucky Farm Bureau's leadership program.

The couple have a one-year-old child.

## Mitchel and Gala Logsdon

The Logsdons are beef cattle and tobacco farmers with a 530-acre operation, including 195 that they own. They have around 125 Angus cows in a commercial cow-calf operation and also raise beef replacement heifers. In crops, this year they raised eight acres of tobacco, 70 acres of alfalfa and an acre of corn for silage.

Mitchel has been farming on his own for 12 years and is responsible for all management decisions relative to his operation. He got out of the dairy



THE MAHANS RECEIVED A VARIETY OF PRIZES, INCLUDING A KUBOTA RTV.

business two years ago, selling a high quality herd of Holsteins.

Mitchel is committed to having high quality cattle.

"I have always been interested in animal breeding and genetics," he said. "I want to develop a herd of registered Angus of which I can market breeding stock to commercial herds and for use in my own commercial herd. I believe that a purebred breeder should be in touch with the demands of the commercial industry."

He manages forage production on both his farm and his father's. He also has a cattle partnership with his father.

"I consider myself very fortunate to be able to work daily with my father," Mitchel said. "His experience and knowledge are priceless. I make the final decisions for my operation and he does for his operation. In the partnership cows we usually meet in the middle."

The Logsdons have been members of Hart County Farm Bureau for 13 years and have been recognized as the county's outstanding young farm family. Mitchel has served on the Hart County Farm

Bureau board of directors since 2002. He's also active with the Cattlemen's Association.

Mitchel began showing Holstein cattle at a young age and participated in many FFA and 4-H events. He holds a degree in Animal Sciences from Western Kentucky University; Gala is a nurse. They have three children, ages 6, 3 and four months.

### *Scott and Mary-Ann Porter*

The Porters farm 1,028 acres with a variety of forages and a large cattle operation consisting of some 250 brood cows, 450 dairy heifers and 100 calves that are back-grounded. The couple are sole owners.

Scott said he decided to concentrate on cattle after finding a market for quality dairy heifers. Over the past few years he has moved from a cow-calf operation to stockers.

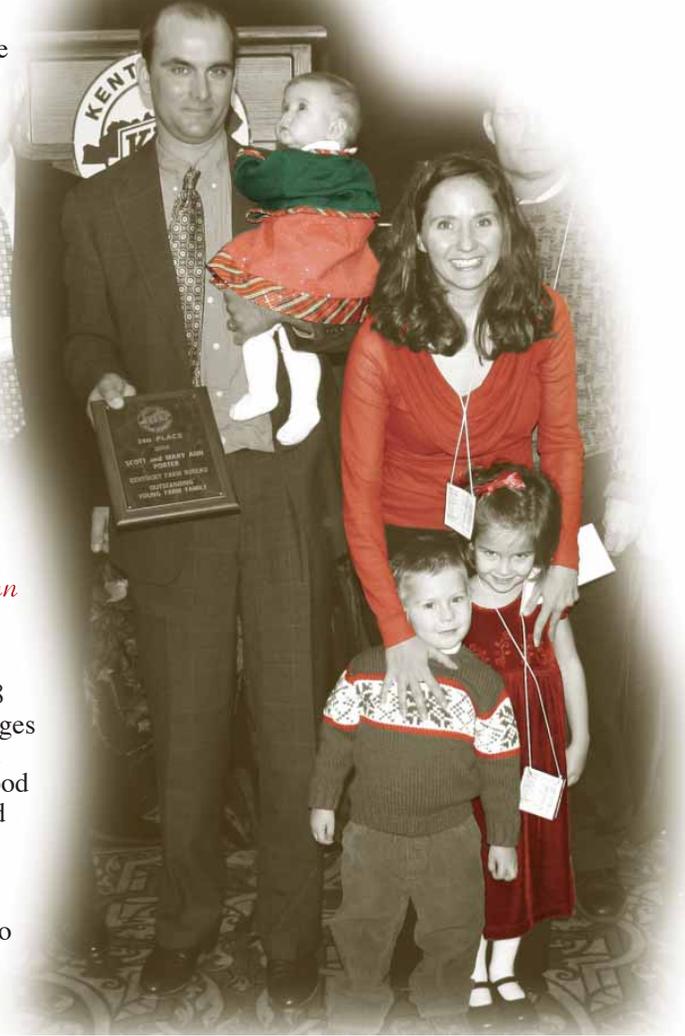
"I precondition calves to larger and healthier yearling cattle," he explained.

"This adds market value to a large-scale feedlot. All three types of (cattle) operations have been successful, however. The heifers have the best advantages in that I can negotiate purchase prices and receive a constant supply of healthy calves to sell back without a market concern."

His main goal, he said, has been to improve efficiency and preserve his natural resources.

"We have focused on improved pasture management such as establishing a higher legume content," he said. "We also have

AMONG THEIR PRIZES, THE LOGSDONS RECEIVED \$750 FROM PREMIER CROP INSURANCE.



THE PORTER FAMILY POSED WITH A LARGE GROUP OF SPONSORS AND KFB OFFICIALS.

improved rotational grazing practices and water sources."

Scott has been on the Fleming County Farm Bureau board of directors since 2001 and is active in the young farmer program, as well as the advisory board to Farm Credit Services. He also serves on the local board of Southern States Cooperative. He received a beef cattle proficiency award from the Kentucky Young Farmer Association.

As for the future, Scott says: "Our goal is for the volume of our assets to be land, not machinery. The guiding idea is that land appreciates in value while machinery and buildings depreciate. We are more concerned about paying off what we have today. I always like to be in a position to take advantage of opportunity."

Mary Ann is an elementary school teacher. The Porters have three children, ages 4, 2 and five months.



# Bill Kuegel Sr. wins service award



BILL KUEGEL SR. RECEIVED THE AWARD FROM KFB PRESIDENT MARSHALL COYLE AND EXECUTIVE VICE PRESIDENT DAVID S. BECK.

mental in helping to bring the national FFA Convention to Louisville for a seven-year run. The local FFA chapter named a scholarship in honor of his late wife, Carrie Newman Kuegel.

Kuegel has received the "Man of the Year" award from Progressive Farmer Magazine and the Thomas Poe Cooper Award for Outstanding Service to Agriculture. The Owensboro Chamber of Commerce selected him for its outstanding farmer award.

"Bill has been a farmer and a farmer's friend since 1946," said Daviess County Farm Bureau President Jeff Berry. "He has been a leader in the burley tobacco field and has worked to develop new markets for Kentucky products to find financial support for Kentucky farmers."

Kuegel's leadership ability has made him a logical choice for boards and committees. He has served on the advisory boards for colleges of agriculture at the University of Kentucky and Western Kentucky University. He also was a trustee at WKU. He currently is on the boards for Georgetown College and Brescia University.

He also has been a director for the Owensboro Riverport Authority, Owensboro Tourist Commission and Owensboro Mercy Health Systems.

Kuegel is well known for forging political alliances that benefit agriculture. He worked closely with former Kentucky Governor and Senator Wendell Ford and traveled to Japan and Europe with Governor Julian Carroll to promote agricultural trade. He also visited Africa and South America on trade missions.

"Mr. Kuegel is an icon for agriculture in not only Daviess County, but in the state," Scott H. McCain, a city executive for Branch Banking and Trust Company, wrote in a letter of support for the Farm Bureau award. "Mr. Kuegel's success in agriculture has been administered to many people who have shared in the same ventures as his."

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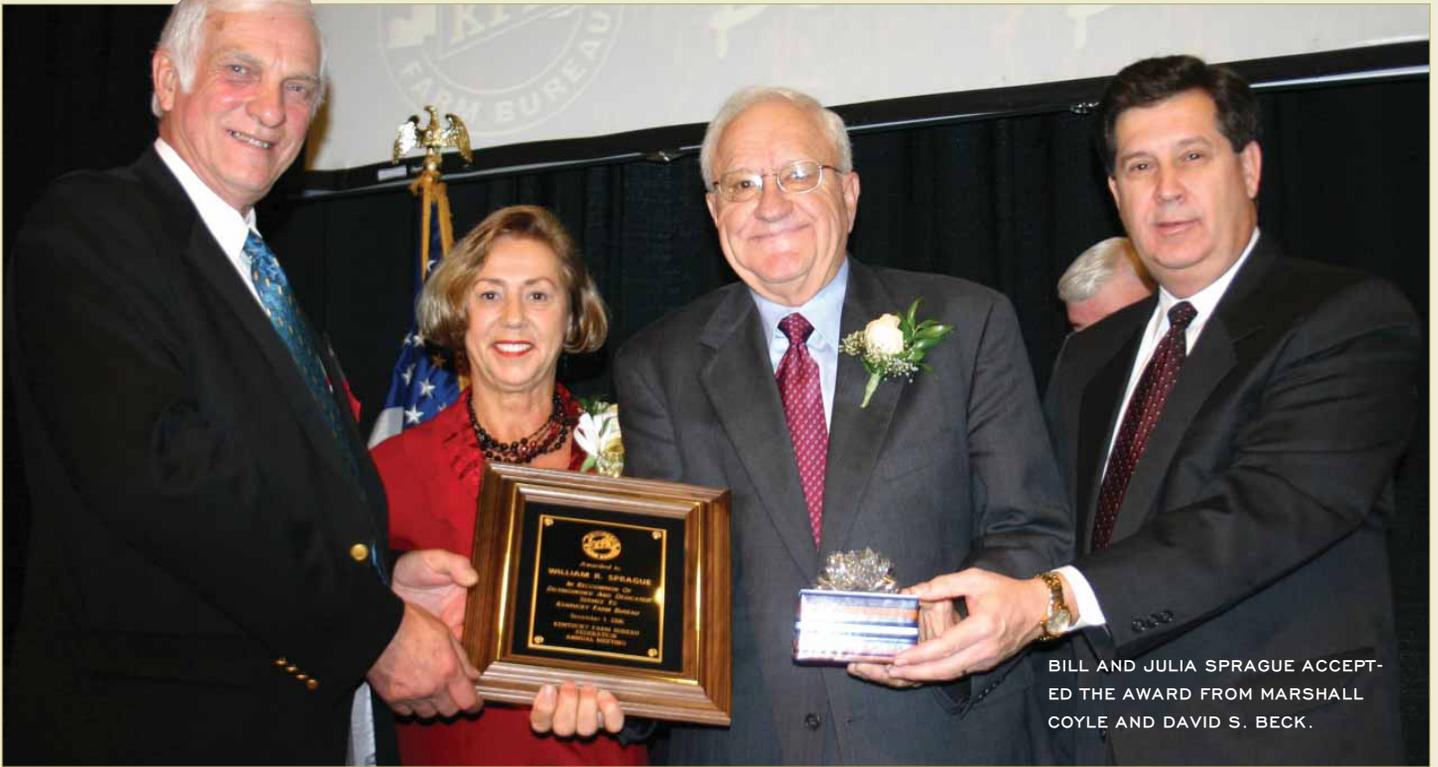
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**D**aviess County farmer Bill Kuegel, Sr. won KFB's award for Distinguished Service to Agriculture. Kuegel, 82, received an engraved watch and plaque.

Kuegel has farmed for 60 years, beginning with a small dairy and tobacco operation and eventually forming a partnership with three brothers on more than 4,000 acres. He currently has a partnership with his son, Rod, a former executive director of the Burley Tobacco Growers Cooperative Association. They produce grain, tobacco and cattle.

Kuegel was in the tobacco warehouse business in Owensboro for 35 years. His involvement in agricultural leadership positions includes 13 years on the State Fair Board. He served four years as chairman of that board and was a national president of the Burley Tobacco Warehouse Association. He has long been active in support of FFA, garnering service awards on the local, state and national levels. He was instru-

# Bill Sprague honored for KFB work



BILL AND JULIA SPRAGUE ACCEPTED THE AWARD FROM MARSHALL COYLE AND DAVID S. BECK.

Union County farmer William R. Sprague has been named winner of the annual award for Distinguished Service to Farm Bureau. Sprague, 67, received an engraved watch and a plaque.

Sprague served as president of the state's largest farm organization from 1992-98 and was a state director for 31 years. He has been active with KFB for 41 of the 42 years he has been farming.

He has played a vital role in promoting the agriculture industry to the general public and in championing agriculture issues in the political arena. U.S. Senator Mitch McConnell was among those endorsing Sprague for the award, writing: "I appreciate and respect his insight. The Kentucky Farm Bureau has thrived under his enthusiastic and visionary leadership. Bill has worked tirelessly to strengthen the farming communities across Kentucky and the nation."

Known in Union County as "Billy Bob," Sprague was raised on a Union County farm and earned a degree in Ag Engineering from the University of Kentucky. He started his own farming operation in 1964 and gradually expanded to more than 4,000 acres of row crops.

He began his service to KFB with the young farmer committee in Union County and rose through the ranks to serve in many capacities. He remains active with the county organization.

After retiring from the presidency of KFB, Sprague was named by AFBF President Bob Stallman to serve as chairman of a national committee that developed recommendations for future farm policy during a two-year process. The report from the so-called "Making American Agriculture Profitable" committee was widely acclaimed.

Sprague has received countless awards for his service to agriculture. Progressive Farmer Magazine named him the "farmer of the year" in Kentucky for 1994. He has been selected for distinguished service awards from the University of Kentucky College of Agriculture, the Kentucky Soybean Association and the Kentucky Pork Producers Association. He received a top award from the Kentucky Association of Conservation Districts.

Former Governor Brereton Jones appointed Sprague to the Kentucky Economic Development Commission. Sprague also has served on the National Beef Council and chaired

Kentucky Friends of 4-H.

In political circles, Sprague is well known for championing tobacco, trade and environmental issues. He was a delegate to the 1998 World Trade Organization meetings in Seattle, where he spoke on the importance of free trade policies to American farmers.

Union County Farm Bureau President Mary Nelle White said Sprague is widely respected for his enthusiasm and dedication.

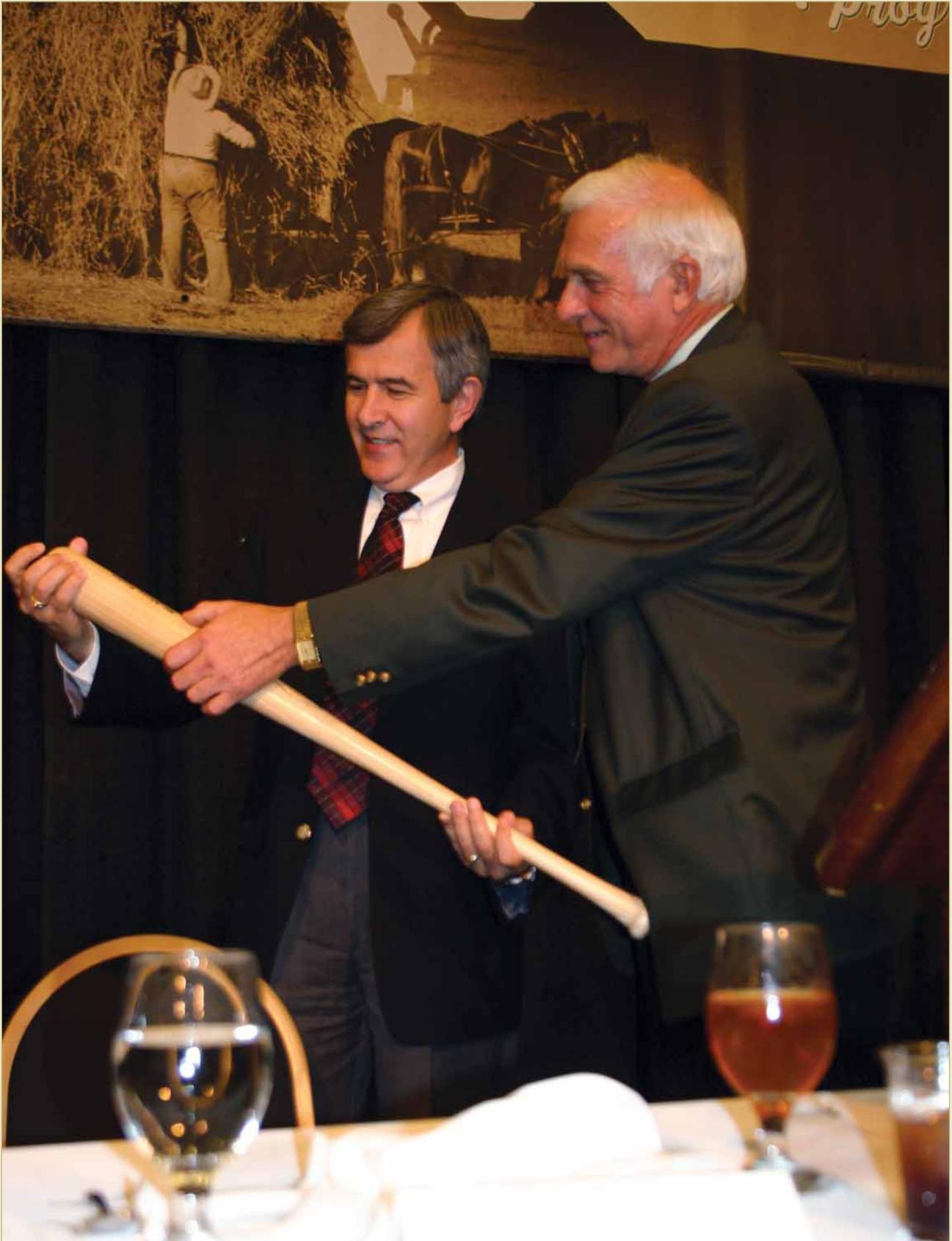
"His leadership in local and state positions has guided our organization through many difficulties and he has truly been the spokesman for the Kentucky farmer," Mrs. White wrote in a supporting letter for the award. "His insight and leadership skills have been instrumental in mapping the futures for both the Kentucky and American farmers."

Another letter of support came from First District Congressman Ed Whitfield, who wrote: "I consider Bill a true friend of the agriculture industry."

Eight county Farm Bureaus nominated Sprague for the prestigious award.

He and his wife Julia have two children: Andy, a farmer in Union County; and Shelly, an attorney in Campbellsville.

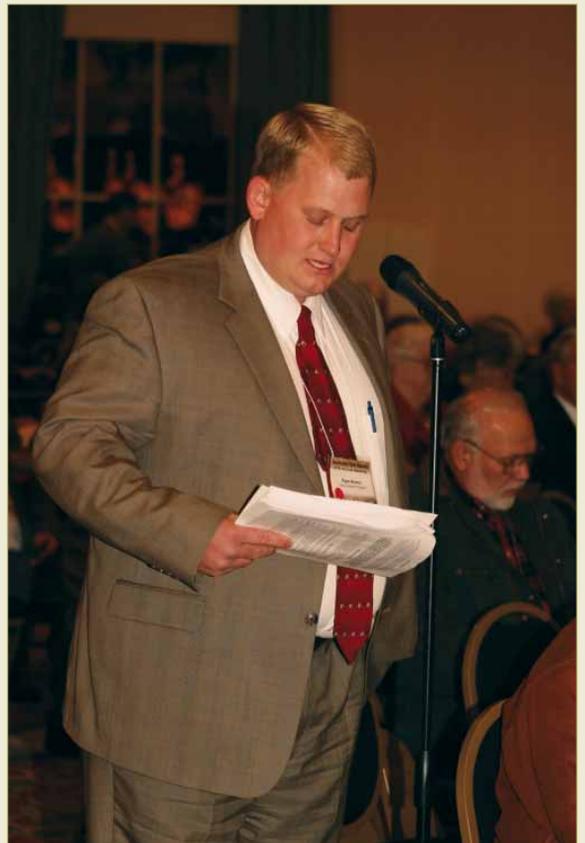
# Scenes from the annual meeting...



KFB PRESIDENT MARSHALL COYLE PRESENTED AGRICULTURE SECRETARY MIKE JOHANN'S WITH A LOUISVILLE SLUGGER BAT AS A TOKEN OF APPRECIATION.



LEFT: DURING THE POPULAR VARIETY SHOW, KATELIN FREDERICK OF LINCOLN COUNTY WOWED THE AUDIENCE WITH A SONG, AND PROPS, FROM "THE LITTLE MERMAID."



BELOW: THE DISCUSSION MEET FINALISTS WERE (FROM LEFT) AARON REDING OF LARUE COUNTY, CLINT QUARLES OF SCOTT COUNTY, JACK LANE OF FAYETTE COUNTY AND LINDSEY BURKE OF HENRY COUNTY. MS. BURKE WON THE COMPETITION AND WILL REPRESENT KENTUCKY IN THE NATIONAL COMPETITION AT THE AFBF ANNUAL MEETING.



ABOVE: RYAN BIVENS OF LARUE COUNTY MADE A SUGGESTION DURING THE BUSINESS SESSION.

BELOW: SCOTT SMITH, DEAN OF THE UK COLLEGE OF AGRICULTURE, ADDRESSED A LARGE CROWD AT THE ANNUAL AGRICULTURAL ECONOMIC OUTLOOK CONFERENCE FEATURING UK ECONOMISTS. THE PRESENTERS (FROM LEFT) WERE STEVE RIGGINS (FEED GRAINS), LARRY JONES (OVERALL FARM ECONOMY), WILL SNELL (TOBACCO), LEE MEYER (LIVESTOCK AND POULTRY) AND TIM WOODS (HORTICULTURE)



## FARM ECONOMY OUTLOOK IS GOOD

Each year during the KFB annual meeting, the University of Kentucky College of Agriculture presents its Kentucky agricultural economic outlook. Here are some of the forecast:

Assuming a normal growing season, without any major diseases, 2007 farm cash receipts are expected to set an all-time record of \$4.3 billion, compared to \$4.1 billion in 2006. The gain will be primarily due to 13% higher crop receipts, as livestock receipts may rise less than one percent. Livestock receipts accounted for 61% of the 2006 total.

The projected record farm cash receipts are not expected to result in record net farm income in 2007 because of lower government payments and higher input costs. Net farm income likely declined in 2006 from the record \$2.082 billion set in 2005.

Tobacco acreage in 2007 may be constrained without further price incentives. Tobacco production and cash receipts are uncertain, but have the potential to expand if growers are encouraged by better prices and the labor situation shows signs of stabilizing or improving.

The price outlook for corn, wheat and soybeans depends on several supply-demand factors. Current high prices work to slow consumption and encourage more production. Acreage shifts this spring could impact prices.

Cattle prices in 2007 should be down from 2006. High feed costs and drought increased cow slaughter in 2006, so a smaller herd may result in slightly less beef production. While slaughter cattle prices may only drop slightly from 2006, average feeder prices are likely to be \$4 to \$10 lower.

The complete economic outlook is detailed in a report available online at [www.uky.edu/Ag/AgEcon](http://www.uky.edu/Ag/AgEcon).

## BEEF TOUR SCHEDULED IN MARCH

The annual KFB Beef Tour is being planned for March 27-30 to the Denver, Colorado, area. The tour will provide 50 KFB members the opportunity to see various aspects of the beef industry, including cow-calf operations, feedlots, and related industries. For more information on the tour's itinerary, cost and registration dates, contact the KFB Commodity Department at 502/495-5000, extension 7243.

## FARMERS MARKETS GROWING

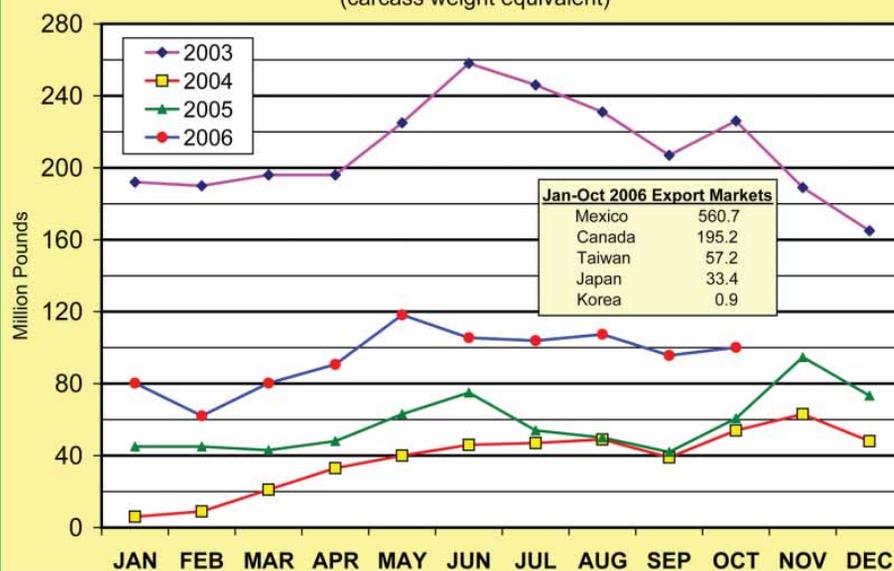
The number of farmers markets in the United States increased more than seven percent between 2005 and 2006, according to preliminary results of the 2006 USDA National Farmers Market Survey.

USDA's National Farmers Market Directory lists 4,385 farmers markets, including 139 in Kentucky. The directory is available at [www.ams.usda.gov/](http://www.ams.usda.gov/).

Total sales volume is estimated at about \$1 billion for 2005, compared to \$888 million in 2000. Average sales per market totaled about \$245,000; average annual sales per vendor was \$7,108. USDA reports that, on average, 25 percent of farmers market vendors relied on these markets as their sole source of farm-based income.

## U.S. BEEF EXPORTS

(carcass weight equivalent)



## Kentucky Monthly Corn Marketings

2005-06 Marketing Year vs Previous 3-Year Average



Source: Agricultural Prices, November 2006, USDA-NASS

Two new

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For members only.

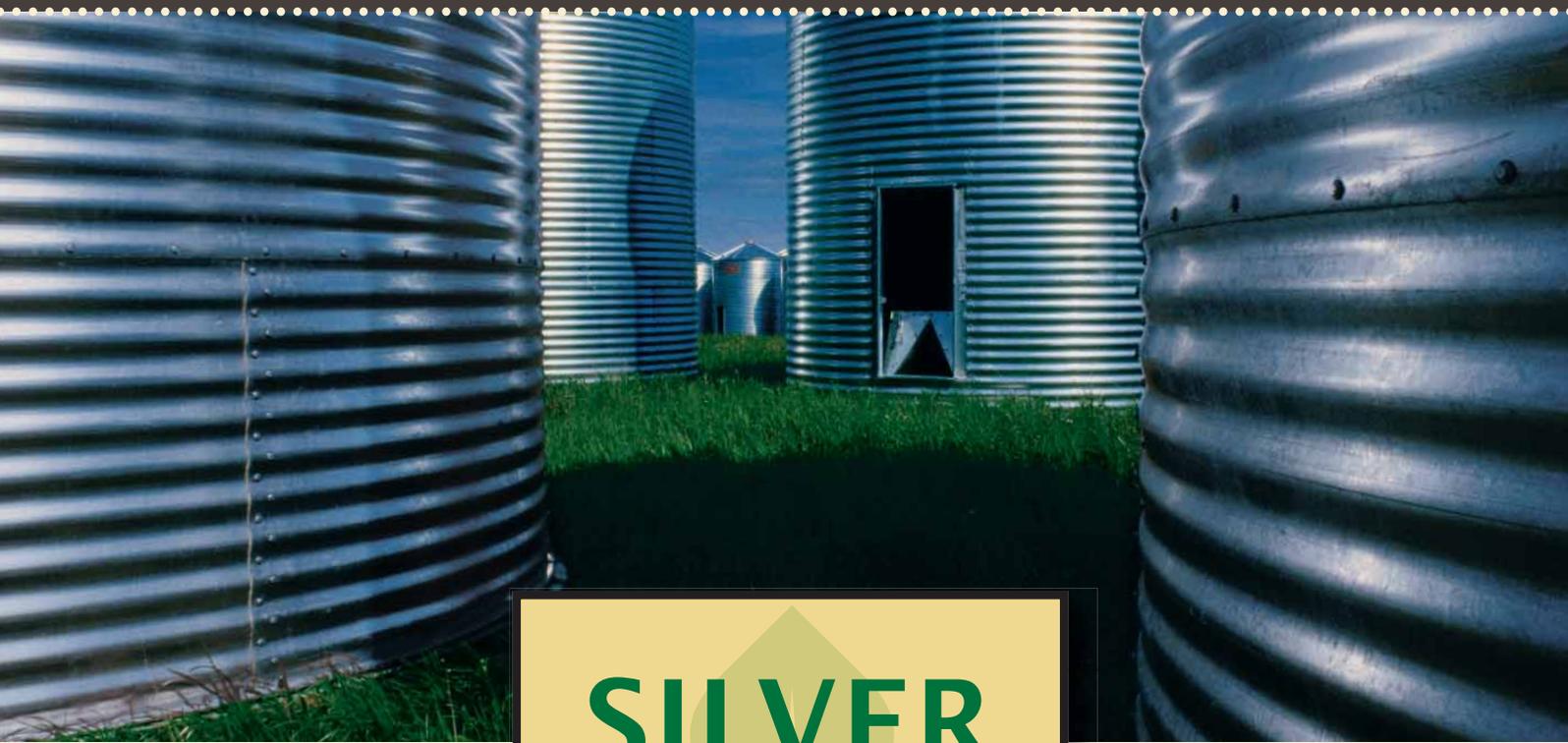
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\*\$500 or \$750 private offers valid toward the purchase or lease of eligible new 2006, 2007 and 2008 GM passenger car and light-duty truck models. Excludes Cadillac XLR, XLR-V and STS-V; Chevrolet Corvette Z06 and SSR; HUMMER H1, Saturn SKY, Pontiac Solstice and medium-duty trucks. Customers must take delivery by January 3, 2008. Not compatible with other private offers. Not valid on prior purchases. See dealer for complete details.



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