



VOL. 8, NO. 9

SEPTEMBER 2008

KENTUCKY

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



COUNTY ANNUAL MEETINGS

ADAIR COUNTY

Date: September 16, 2008 • 6:30 p.m.
Place: Canmer Dining Hall,
Lindsey Wilson College

ANDERSON COUNTY

Date: October 13, 2008 • 5:30 p.m.
Place: Alton Ruritan Club

BATH COUNTY

Date: September 19, 2008 • 6:30 p.m.
Place: Ag Marketing Center

BELL COUNTY

Date: September 25, 2008 • 6:00 p.m.
Place: Farm Bureau Office

BRACKEN COUNTY

Date: October 14, 2008 • 7:30 p.m.
Place: Watson Community Building

BREATHITT COUNTY

Date: October 3, 2008 • 6:00 p.m.
Place: LBJ Elementary School

BOURBON COUNTY

Date: October 16, 2008 • 6:30 p.m.
Place: American Legion Park

BOYD COUNTY

Date: October 20, 2008 • 6:30 p.m.
Place: Extension Office

BULLITT COUNTY

Date: September 20, 2008 • 6:00 p.m.
Place: Extension Office

CALDWELL COUNTY

Date: September 27, 2008 • 6:30 p.m.
Place: UK Research Center

CAMPBELL COUNTY

Date: September 13, 2008 • 5:00 p.m.
Place: Alexandria Community Center

CARROLL COUNTY

Date: October 13, 2008 • 7:00 p.m.
Place: Farm Bureau Office

CLAY COUNTY

Date: October 9, 2008 • 6:00 p.m.
Place: Farm Bureau Office

CLINTON COUNTY

Date: September 11, 2008 • 6:00 p.m.
Place: Fairgrounds

ELLIOTT COUNTY

Date: September 23, 2008 • 6:30 p.m.
Place: Sandy Hook Elementary School

FAYETTE COUNTY

Date: October 2, 2008 • 6:30 p.m.
Place: Extension Office

FRANKLIN COUNTY

Date: October 7, 2008 • 6:30 p.m.
Place: Extension Office

GALLATIN COUNTY

Date: October 6, 2008 • 7:00 p.m.
Place: Extension Office

GARRARD COUNTY

Date: September 25, 2008 • 6:30 p.m.
Place: Forks Dix River Baptist Life Center

GRANT COUNTY

Date: September 20, 2008 • 6:30 p.m.
Place: Farm Bureau Office

GREENUP COUNTY

Date: November 3, 2008 • 6:00 p.m.
Place: Farm Bureau Building

JACKSON COUNTY

Date: September 15, 2008 • 6:00 p.m.
Place: Jackson Energy Farm

KENTON COUNTY

Date: September 16, 2008 • 6:30 p.m.
Place: St. Cecilia Church

KNOX COUNTY

Date: September 19, 2008 • 6:00 p.m.
Place: Barbourville City Park

LAWRENCE COUNTY

Date: October 21, 2008 • 6:00 p.m.
Place: Front Porch Restaurant

LOGAN COUNTY

Date: September 20, 2008 • 6:00 p.m.
Place: Logan County HS Cafeteria

MARION COUNTY

Date: October 13, 2008 • 7:00 p.m.
Place: Lebanon Masonic Hall

MCCRACKEN COUNTY

Date: September 20, 2008 • 5:00 p.m.
Place: Knights of Columbus Hall

MCCREARY COUNTY

Date: September 18, 2008 • 6:00 p.m.
Place: Old Country Café

METCALFE COUNTY

Date: October 16, 2008 • 6:00 p.m.
Place: Extension Office

MONROE COUNTY

Date: September 27, 2008 • 6:30 p.m.
Place: High School Cafeteria.

MONTGOMERY COUNTY

Date: October 2, 2008 • 6:30 p.m.
Place: High School Cafeteria.

MORGAN COUNTY

Date: September 30, 2008 • 6:00 p.m.
Place: Extension Building

NELSON COUNTY

Date: October 14, 2008 • 7:00 p.m.
Place: Civic Center

OWEN COUNTY

Date: October 6, 2008 • 6:00 p.m.
Place: Extension Office

PENDLETON COUNTY

Date: September 20, 2008 • 6:30 p.m.
Place: Farm Bureau Office

PULASKI COUNTY

Date: October 9, 2008 • 6:30 p.m.
Place: Southwestern High School

ROBERTSON COUNTY

Date: September 20, 2008 • 6:00 p.m.
Place: Deming High School

ROCKCASTLE COUNTY

Date: September 19, 2008 • 6:00 p.m.
Place: Roundstone Elementary School

ROWAN COUNTY

Date: October 7, 2008 • 6:30 p.m.
Place: Farm Bureau Office

SCOTT COUNTY

Date: September 23, 2008 • 6:30 p.m.
Place: Extension Office

SHELBY COUNTY

Date: October 2, 2008 • 6:30 p.m.
Place: Extension Office

SPENCER COUNTY

Date: September 29, 2008 • 7:00 p.m.
Place: Extension Office

WOODFORD COUNTY

Date: October 4, 2008 • 6:30 p.m.
Place: 1st Christian Church Life Center

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“COMMENT”

Following the collapse of the World Trade Organization’s Doha Round of trade negotiations, a common soundbite echoes around the globe: No deal is better than a bad deal. While disappointing to those of us who sincerely sought comprehensive and meaningful trade reform, the positions of numerous countries had degraded to the point where walking away was much wiser than conceding to their protectionist sentiments.

While much has been written about the reluctance of the United States to modify our farm program, AFBF has a long history of supporting opening markets – including our own. We have strongly backed the administration in these negotiations and regularly expressed a willingness to lower our farm program supports commensurate with increased market access reform by other nations.

Over the last several years, these WTO talks have become more about protectionism than about opening markets and freeing up trade.

From the outset, developing countries were allowed to reduce their tariffs by substantially smaller percentages than developed economies. Yet numerous studies by the International Monetary Fund and others show that countries that liberalize trade have a higher level of economic growth than those that remain closed.

These talks started out based on the premise that underdeveloped countries would be allowed to protect a limited number of their products from tariff reductions. World Bank studies indicated that allowing more than four percent of tariff lines to be exempt from cuts would wipe out three-quarters of the gains from trade. By the end of the day, negotiations had authorized developing countries’ tariff line allowances to be 12 percent, virtually gutting any significant trade improvement. It was painfully evident that the prize of meaningful trade reform had vanished.

So where can we go from here? Simply picking up where the talks left off is a recipe for failure. The next time we take up these conversations all parties need to start with the fundamental premise that the goal of negotiators is to increase opportunities for trade – not protectionism.



Bob Stallman

PRESIDENT
AFBF

ON THE COVER:

A FARM SCENE IN LINCOLN COUNTY,
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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KFB DAY AT THE FAIR

Farm Bureau Day at the Kentucky State Fair packed 'em in again, with a sellout crowd of more than 1,600 at the 45th annual Country Ham Breakfast and a near sellout at the "picnic," which this year was moved to air-conditioned comfort in a huge room of the South Wing.

The breakfast maintained its tradition as a "hot" political event with many candidates on hand, along with dozens of state legislators and state officials. But as always, the show-topper was the grand champion country ham. For the fourth time in five years, Broadbent's B&B Foods of Cadiz had the prize pork, which weighed 18.32 pounds. The winning bidder at \$200,000 was Republic Bank and Trust Company of Louisville. This marked the third time in the past five years that Republic Bank bought the ham. The \$200,000 tied for the fourth-highest price ever.

Other bidders were T.W. Lewis Foundation, Brown-Forman Corporation, Stockyards Bank, Proof on Main and PNC bank. Miss Kentucky 2008 -- Emily Cox of Campbellsville -- raced back and forth among the tables of bidders to display the prized pork, which was on a silver platter and adorned with the blue ribbon.

Featured speakers included Governor Steve Beshear, U.S. Senators Mitch McConnell and Jim Bunning and Agriculture Commissioner Richie Farmer. Beshear heartened the crowd of Farm Bureau members when he voiced continuing support for the 50 percent share of tobacco settlement funds for agricultural development and praised KFB "for bringing all of agriculture together."

Said McConnell: "This Farm Bureau is truly outstanding." The Senate Minority leader then complimented the organization for the ongoing success of the annual breakfast. "It's a good opportunity to remind people from the city where their food comes from," he said.

Bunning said he hoped Kentucky farmers were pleased with the new farm bill that he and McConnell supported.

"By passing this bill we are ensuring that U.S. agriculture will continue to be competitive in world markets," Bunning said.

The lunch crowd was treated to performances by the three finalists for the Gospel Quartet championship. The winner was Calvary Heirs of Lincoln County. Runner-up was His Own of Madison County. Third place went to Rejoice of Bullitt County.

Lincoln County got the "top county" award for sending the most people the most total miles.

KFB Insurance Company was among a group that purchased the grand champion steer at the 4-H and FFA Sale of Champions.

Earlier, in the South Wing, an exhibit by Oldham County was judged best in the Pride of the Counties display sponsored by KFB Insurance. About 60 exhibits from counties and/or communities throughout the state were involved in the Pride of the Counties section.



ABOVE RIGHT: MISS KENTUCKY EMILY COX DISPLAYED THE BLUE RIBBON HAM FOR THE SELLOUT CROWD TO SEE.



BELOW: REPUBLIC BANK CHAIRMAN BERNARD TRAGER SIGNALS THE WINNING \$200,000 BID.



KFB PRESIDENT MARSHALL COYLE PRESENTED THE AWARD FOR BEST EXHIBIT AT THE PRIDE OF THE COUNTIES SECTION TO KIM BUCKLER, TOURISM DIRECTOR FOR OLDHAM COUNTY. FROM LEFT ARE STEVE MCCORMICK, VP OF OPERATIONS FOR KFB INSURANCE; KFB DIRECTOR DAVID CHAPPELL; KFB INSURANCE EXECUTIVE VP ROGER SIMPSON; OLDHAM COUNTY JUDGE-EXECUTIVE DUANE MURNER; DEPUTY JUDGE-EXECUTIVE PAULA GISH; CHAMBER OF COMMERCE DIRECTOR GINGER CHAPMAN AND PVA RON WINTERS.

TOP: A LARGE GROUP WHICH INCLUDED GOVERNOR STEVE BESHEAR, AGRICULTURE COMMISSIONER RICHIE FARMER, MISS KENTUCKY EMILY COX, KFB'S EXECUTIVE COMMITTEE AND A CONTINGENT FROM WINNING BIDDER REPUBLIC BANK POSED WITH THE CHAMPION HAM FROM BROADBENT'S B&B FOODS.

BOTTOM: CALVARY HEIRS OF LINCOLN COUNTY RECEIVED THE TOP GOSPEL QUARTET AWARD FROM KFB PRESIDENT MARSHALL COYLE AND ASSISTANT TO THE EXECUTIVE VP RICK WHOBREY.

McCONNELL AND LUNSFORD

MEET WITH KFB DIRECTORS



KFB played host to the first official issues forum between U.S. Senate candidates Mitch McConnell and Bruce Lunsford as they met with the board of directors last month at the state office. The candidates took turns responding to questions from the KFB leaders on such key policy issues as energy, taxes, immigration reform, economic development and environmental protection. And there was plenty of sparring mixed in.

The energy problem received much of the attention, but immigration and farm labor was also a hot topic. Senator McConnell said he supports a biometric tamperproof ID for foreign workers. “You either have the ID and you can work, or you don’t have it and you can’t,” he said.

Lunsford, the Democrat challenger, also supported setting more guidelines for foreign labor, but said implementation of the law is just as important. “It’s not just about having laws. It’s about having an administration and a Senate

that wants to see the laws enforced.”

Both candidates agreed on the capital gains tax. Lunsford called it “one of the most unfair taxes.” McConnell quickly dismissed Lunsford’s view, accusing him of belonging to a party that supports “taxation, regulation and litigation.”

In between questions, the two took the opportunity to highlight their experience with agriculture. Lunsford noted his childhood growing up on a farm. “My experience is probably as diversified as anybody who has run for this office over the years,” he said.

McConnell responded by saying being raised on a farm is “irrelevant,” adding that Lunsford “would have a miniscule amount of influence” as a new senator.

“I’m in the middle of virtually



TOP: SENATOR MITCH McCONNELL AND CHALLENGER BRUCE LUNSFORD ANSWERED QUESTIONS FROM KFB DIRECTORS, WITH PRESIDENT MARSHALL COYLE (MIDDLE) PRESIDING.

INSET: FB EXECUTIVE VICE PRESIDENT DAVID S. BECK FLIPPED A COIN TO DECIDE THE SPEAKING ORDER FOR THE MEETING INVOLVING SENATE CANDIDATES MITCH McCONNELL (LEFT) AND BRUCE LUNSFORD. KFB SECOND VICE PRESIDENT JOHN HENDRICKS LOOKS ON.

everything related to agriculture all the time,” said McConnell, pointing to his 24 years in office.

In his closing statement, Lunsford contended that McConnell had failed to use his leadership position to solve problems facing Kentuckians.

MARKETS TOUR IS *peachy* KEEN

A busload of Kentuckians visited some innovative farm markets in Tennessee, Georgia, South Carolina and North Carolina during KFB's Roadside Farm Market Summer Tour. The annual event is part of KFB's Certified Roadside Farm Markets program.

At the request of past participants, this year's tour was expanded to three nights and four days of activities. Departing from Somerset, the voyage featured stops in southern Tennessee, at three of the markets in Georgia Farm Bureau's certified program plus two of those in South Carolina's program. Another highlight was the acclaimed Western North Carolina Farmers Market in Asheville operated by the North Carolina Department of Agriculture and Consumer Services.

All told there were nine stops and much to see on the whirlwind tour – nurseries, gardens, orchards, general roadside operations, food service and so on. The list of products marketed at those businesses would fill this page. And the Kentuckians learned about a broad range of marketing and promotional techniques – all designed to bring consumers to the farm.

Janet Dennison, who along with her husband, David, operates Mammoth Cave Transplants in Brownsville, described the event as "very useful."

"I've been on three of these tours and I don't think there's been a single tour that we didn't pick up some good ideas," she said. "I was impressed with the diversity and the professionalism of the operators we met. Some were third and fourth generations, which is different from many in Kentucky, where we find a lot of first generation and younger people.

"We saw some very special family connections and some things that really were impressive."

Mrs. Dennison said her most vivid memory would be of Cooley's Peach Farm and Strawberry Hill USA, in Chesnee, South Carolina.

"600 acres of peaches and 75 acres of strawberries – that's an enormous family operation," she said.

KFB Second Vice President John

Hendricks, who is chairman of the roadside markets advisory committee, said the tours "provide a good opportunity for market operators to share information and ideas. There's always something we can take home with us and

use in our businesses."

Hendricks has a small roadside market in Clark County.

First Vice President Mark Haney, who has an orchard in Pulaski County, also participated.



TOP: JAEMOR FARM MARKET NEAR ALTO, GEORGIA WAS ONE OF THE STOPS.

BOTTOM: THE GROUP POSED PRIOR TO DEPARTURE.

"600 acres of peaches and 75 acres of strawberries – that's an enormous family operation."

— Janet Dennison



FOCUS ON FARM SAFETY

BY LINDSEY COBLENTZ

National Farm Safety and Health Week, set for September 21-27, hopes to remind everyone that farming is one of the most hazardous jobs in the U.S. According to the National Safety Council, over 700 farmers die in work-related accidents each year, while another 120,000 agriculture workers are left disabled by farm-related injuries.

Farm safety is a year-round business for Dale Dobson, safety administrator for the Kentucky Department of Agriculture (KDA). Dobson said being a fire fighter and rescuer inspired him

to begin working with KDA 18 years ago. "I thought we could take what the firefighters were doing and show it to the public and maybe prevent a few accidents."

Dealing with farm hazards became an everyday job for Dobson, but it hit close to home about six months after he began his work at KDA. His father was hard at work on the farm when the wind blew his jacket sleeve into a Power TakeOff (PTO). The safety shield on the machine was missing, and Dobson's father lost his arm. Dobson said the event was a tragedy, but "that gave us the gasoline to really make us move."

Farm safety at KDA has been booming ever since. In 1994, the first statewide farm rescue and safety symposium was held, and KDA created its official farm safety program in 1998.

Today, the program continues to hold safety seminars at various locations throughout the state.

Dobson said the program seems to be having a positive effect on Kentucky farms. There were 23 agriculture-related injuries in Kentucky during 2004, less than half of the 50 farm-related injuries reported in 1995.

There is still room for improvement, however, Dobson said. A growing concern is ATV safety. Since 1982, 362 ATV deaths have been reported throughout the state. Dobson said much of the vehicle's danger is due to its large size, but preventing injuries and even death can be as simple as wearing

a helmet and other protective gear.

Another major concern is grain systems safety. KDA has partnered with the Kentucky Fire Commission and Fire Rescue Training to educate the public about farm safety, especially grain systems safety. Together they use a mobile grain safety training unit to teach the general public about the hazards in and around grain systems, as well as provide training to emergency responders to conduct grain-related rescues.

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THE KDA'S GRAIN SAFETY UNIT IS IN HIGH DEMAND.

The mobile unit is taken to a variety of locations, including schools and community events. Jimmy VanCleve, Area 3 coordinator for State Fire and Rescue Training, uses the unit to demonstrate how quickly someone can become entrapped in flowing grain.

VanCleve said it can take less than eight seconds for grain to engulf someone trapped in grain, and once someone is trapped, it is very difficult to get the person out. It can take 80 to 90 pounds of force to rescue a two-pound object trapped in grain, he said. "This is not a place to play. It's dangerous."



INPUT COSTS KEEP ON CLIMBING

BY CAROL L. SPENCE
UK COLLEGE OF AGRICULTURE

For participating farmers in the UK College of Agriculture's Kentucky Farm Business Management Program, farm costs rose 41 percent from 2005 to 2007. From 2006 to 2007, fertilizer costs rose 25 percent; seed went up 25 percent, and crop insurance had a 55 percent increase.

The big concerns of many grain farmers are that input costs are going to go sky high and commodity prices will start trending downward.

"Prices are cyclical. They always have been," said Chad Lee, an associate professor of Agronomy at the University of Kentucky. "And when these commodity prices come back down, then we're going to see some real challenges. For the next six to seven months, these farmers should be in good shape if they get a good crop and have a contract. But you start looking at a longer term, and there is reason to be concerned."

The U.S. Department of Agriculture's August report predicts this year's corn crop will be 12.3 billion bushels, the second largest corn crop in history. Commodity prices have already settled back.

Everything indicates inputs prices will continue to climb. Seed companies are hinting that they're going to raise the price of corn seed next year by \$30 to \$50 a bag. That would translate to about \$10 to \$20 more per acre. Lee said farmers are anticipating the price of fertilizer will be about \$400 an acre next year, and the price of all inputs will be close to \$550 per acre.

"If corn sells for \$5 a bushel, a farmer would need a yield of at least 110 bushels per acre to break even on inputs alone. That doesn't cover land, salaries or machinery costs," he said.

The livestock industry is feeling pressure from both sides. Diammonium phosphate (DAP), a nitrogen fertilizer commonly used on pastures, is now sitting at \$1,000 per ton. Hay production costs are climbing along with fuel prices. In Kentucky, a cow-calf operator typically can spend \$200 per cow on forage production alone, including hay production and pasture maintenance. Feed costs reflect the trend in soaring grain prices.

Typical cow-calf operators will sell the bulk of their calves soon after weaning. But feedlots are now dealing with the high price of commodity feed. As a result, demand for smaller calves has substantially decreased, with feed-

lots preferring yearling calves that can be finished in a shorter period of time. The end result is lower revenue for the cow-calf producer.

Horticulture crops are high input crops, but they are also high value crops. Due to their fertilizer requirements, grain crops are much more energy intensive on a per acre basis and a per unit cost basis than horticultural crops. And because there's a relatively lower value per unit sold per acre as compared to vegetables and fruits, the proportional energy costs to the value of the product is higher for grain crops than for produce. On the other hand, the absolute cost for produce is higher.



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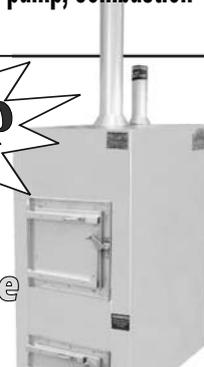
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Advisory Committee Meetings

There's much to celebrate these days for the dark tobacco industry. Domestic consumption of smokeless tobacco products is rising by a robust seven percent annually. Export markets are promising. Demand exceeds supply, which is translating into some strong prices for Kentucky's estimated 1,000 producers of dark fired and dark air-cured leaf.

That scenario prompted KFB's Tobacco Advisory Committee to make a rare journey into dark tobacco country, conducting its annual meeting last month at the U.S. Smokeless Tobacco Company's leaf processing plant in Hopkinsville. Following a three-hour meeting, the group visited a large-scale dark-fired farm in neighboring Trigg County, observing a quality crop and some modern curing barns.

When it came to discussions on policy, however, the focus shifted to burley tobacco and a proposed checkoff for promoting exports, state excise taxes on tobacco products and a Congressional bill that would authorize Food and Drug Administration regulation of tobacco products.

The state excise tax drew a lengthy discussion. After KFB President Marshall Coyle and Public Affairs Director Laura Knoth told the group that a tax hike was likely within the next year or two, the committee recommended policy language stating that KFB "encourages legislators to oppose any regulation or tax that puts Kentucky's tobacco industry at a competitive disadvantage with other states."

The goal is to ensure that the price of tobacco products in Kentucky continues to fall well below bordering states, thereby protecting manufacturers and retailers. Out-of-state residents account for an estimated 30 percent of cigarette purchases in the state. (Kentucky's 30-cent per pack tax helps keep retail prices lower than those in surrounding states, where the average is 69 cents)

Coyle and Burley Co-op President Roger Quarles briefed the committee on the status of a checkoff program to support an organization that would pro-



THE GROUP CHECKED OUT THE DARK-FIRED CROP AT L&H FARM IN TRIGG COUNTY OPERATED BY BOB LAWRENCE AND MIKE HYDE.



CHECKING THE DARK-FIRED LEAF WERE (FROM LEFT) KFB EXECUTIVE VICE PRESIDENT DAVID S. BECK, PRESIDENT MARSHALL COYLE AND DIRECTOR SCOTT TRAVIS.

mote exports of burley and flue-cured tobacco. A special committee was preparing to decide on whether to move forward and ask the USDA to conduct a producer referendum on the issue,

Coyle explained.

KFB National Affairs Director L. Joe Cain gave a briefing on a House-passed bill on FDA regulation. He

Continued on page 11

Health Care Committee will explore all options

KFB is reaching out to key components of the health care industry to pursue lower health insurance costs for its members.

The organization's "health care issues task force" wants representatives from health insurance companies, doctors and hospital groups to provide input that will help it formulate legislative proposals that would reduce costs and increase consumer choices. The task force has invited such specialists to its September meeting to discuss KFB's concerns and potential solutions. The group also wants to include a conference on health care issues at KFB's annual meeting in December.

In recent years the high cost of health insurance has become a critical issue for KFB members. Delegates to KFB's 2007 annual meeting approved a resolution calling for a special committee to explore health care reforms. In response, KFB President Marshall Coyle appointed an 11-person panel chaired by Second Vice President John Hendricks.

Coyle began last month's meeting

by underscoring members' concerns.

"When I go out to these county meetings the first thing they ask about is what are we doing about health care," he said. "When we look at what's happening with our health costs, it's become a humongous burden to our members. We need to look hard at what we can do."

KFB policy calls for health care insurance reforms which stabilize the market, encourage competition and increase consumer choices. The organization supports state and federal laws that allow individuals to benefit from Association Health Plans.

Executive Vice President David S. Beck said KFB "is very sensitive to this issue" and noted that "the subject comes up with every meeting we have with our members of Congress."

The task force reviewed a list of health care reform bills that have come before the state legislature in the past five years. Only a couple managed to pass; two of which provided some assistance for farmers and other small businesses.

Sharon Furches, a member of the

board of directors for both Calloway County FB and Murray-Calloway County Hospital, suggested working partnerships with groups like the Kentucky Hospital Association and Kentucky Medical Association. "Wherever we can have influence, we need to," she said.

Mrs. Furches, whose husband, Tripp, serves on the KFB Board of Directors, concurred with Coyle's assessment of the concerns about health insurance costs.

"If there's any one thing we can do in our member services, it's lowering these costs," she said. "No doubt it's the single most important thing we could do."

KFB offers members a variety of health insurance plans with Anthem Blue Cross/Blue Shield. About 21,600 member families are enrolled.

Hendricks, a Clark County farmer, said another task force goal should be to identify the price structure of the various levels of health insurance plans offered in Kentucky. "We need to find out what is reasonable," he said.

Continued from page 10

assured the group that there was no language in the bill that could directly impact on-farm tobacco production.

Coyle said Farm Bureau has been inactive with the bill because "there's nothing to hang our hat on – either for it or against it."

The meeting kicked off with a presentation from Plant Manager Danny Kingins, who was quick to mention he's also a grower. "There's a lot of excitement in the dark industry," he said before noting the strong domestic growth and export potential. He said Kentucky will have a good quality crop of about 55 to 60 million pounds of dark fired and about 20 million pounds of air-cured. UST purchases all of its tobacco in the U.S., with from 80 to 90 percent coming from within an 80-mile radius of the processing plant, he added.

"The future is bright," Kingins said.

"We just hope the success we're enjoying now will continue."

KFB Director David Chappell of Owen County is chairman of the tobacco advisory committee.

Farm Labor Committee: KFB Director Paul Hornback of Shelby County is chairman of this committee, which met at the state office in Louisville. The committee made one minor policy recommendation after receiving briefings on farm labor issues from several industry and government officials.

Besides comprehensive reform of federal immigration policy, this group is concerned about how the Labor Department's processing center in Chicago is handling contracts for joint farm labor employment. Rick Alexander, the executive director of the Lexington-based Ag Work Force

Management (an arm of the Burley Co-op), explained that the Chicago office, which assumed oversight for joint contract applications for Kentucky, was interpreting the regulations differently than the previous office in Atlanta, making it difficult to obtain approval for groups of farmers to share work crews. He said his organization has 42 joint contracts in force and several applications in limbo.

Jeff Gatewood, an ag labor specialist with the Kentucky Office of Employment and Training, concurred with the problem, saying "They (Chicago) are not used to Kentucky's situation; we've got some hills to climb."

Other topics discussed included federal minimum wage and H-2A housing requirements and proposed immigration reform legislation in Congress.

MARKETS

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ED MCQUEEN,

DIRECTOR OF MARKET INFORMATION

“COOL” STARTS SEPTEMBER 30

Country of origin labeling (COOL) becomes mandatory for certain retailers on September 30. Restaurants and food service operators are not affected. Originally included in the 2002 Farm Bill, COOL's full implementation was delayed until modifications were made in the 2008 Farm Bill. Additional covered commodities, including chicken, were added to fresh beef, pork, fish, lamb, peanuts, shellfish, fruits and vegetables. Also the type of information required for compliance was changed and the number of labels increased. Processed food items, as defined by COOL, sold at retail are not covered.

In order for retailers to meet COOL requirements, some food suppliers (packers) will be responsible for identifying the countries of origin. The suppliers will in turn require documentation from producers to prove from which country the livestock or produce came.

While each market will determine the type of documentation producers must provide, the law says producer affidavits are sufficient to declare country of origin, provided that it is made by someone with “firsthand knowledge” and identifies “the animals unique to the transaction.” Producers will use records maintained in the course of normal business and must keep them for at least one year.

USDA-AMS will engage in an industry outreach and education program through March 2009. More information is available at www.ams.usda.gov/cool.

FEEDLOT REPLACEMENTS RUN SHORT

The last USDA Cattle on Feed report again showed that feeder cattle are being held on grass longer to avoid the high cost of feedlot feeding. Placements in feedlots during July totaled 1.66 million, two percent above 2007 but 15 percent below 2006. This is the second lowest placements estimate for the month of July since the series began in 1996. Cattle on feed for slaughter market in the U.S. totaled 9.87 million head on August 1. The inventory was four percent below August 1, 2007 and nine percent below August 1, 2006. Marketings of fed cattle in July totaled 2.04 million, two percent above 2007 and five percent above 2006.

2007 INPUT COSTS UP

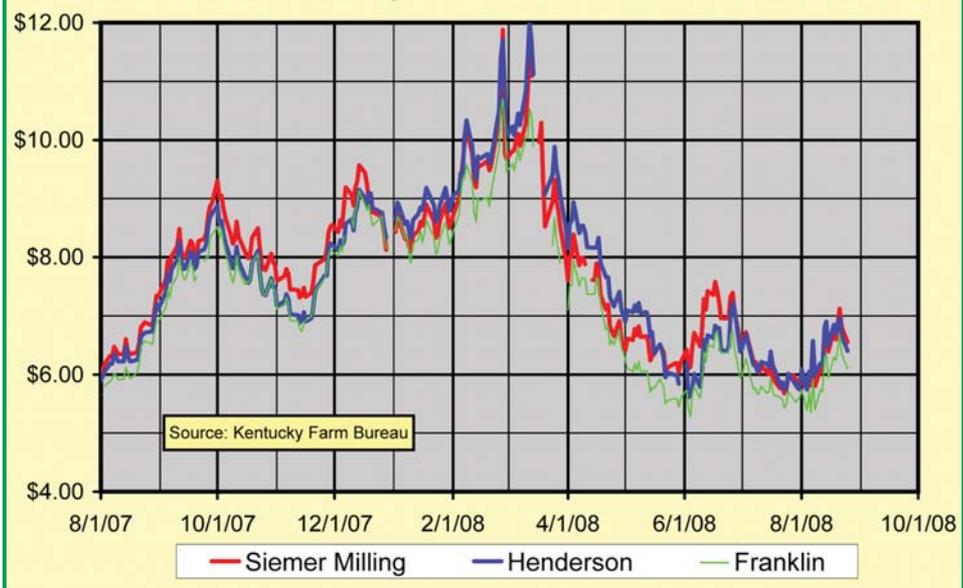
U.S. farm production expenditures totaled \$260 billion in 2007, up 9.3 percent from the revised 2006 total. The largest percentage contributors to the increase were fertilizer, lime, and soil conditioners, up 26 percent; feed, up 21 percent; fuels, up 14 percent; agricultural chemicals, up 11 percent; and tractors and self propelled equipment, up 11 percent.

The four largest expenditures at the

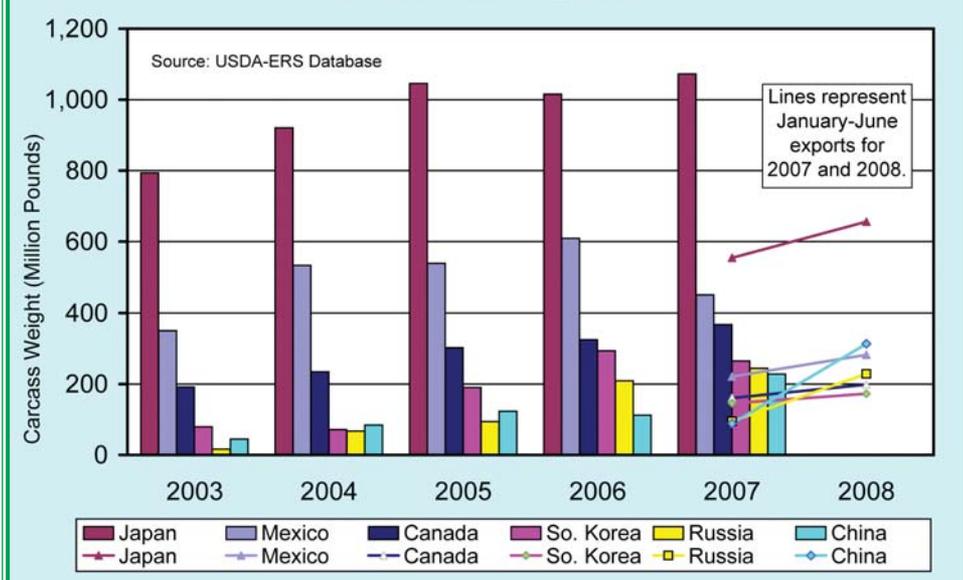
U.S. level totaled \$125.1 billion and accounted for 48 percent of total farm production expenditures in 2007. They were feed, farm services, livestock and poultry purchases, and labor.

The difference in total expenditures between crop and livestock farms has narrowed over the past few years. In 2007, crop farms were at \$131.4 billion and livestock farms at \$128.6 billion. The largest expenditures for crop farms were farm services at \$19.2 billion and labor at \$16.9 billion.

Kentucky Cash Wheat Prices



U.S. Pork Exports



“One” done well

Caldwell County’s first-ever “appreciation” event is well received



CALDWELL COUNTY FB PRESIDENT STEPHEN COX AND HIS WIFE, JAN, CHECK OUT THE AIR-EVAC HELICOPTER.

Caldwell County FB went to great lengths to make its first-ever member appreciation event a special occasion. Yes, there was the standard cookout with hot dogs and hamburgers, festive decorations, music and some give-aways. But there also was some eye-catching evidence as to why membership is a bargain -- businesses in the member services program were in full display with various exhibits, including several GM vehicles and an Air-Evac helicopter that was brought over from Hopkinsville. (Caldwell County members get a discounted rate for use of the copter in medical emergencies)

Candy Adams, a CSR for Kim White’s agency in Princeton, explained why they went the extra mile to impress members.

“We’ve found that most people

aren’t aware of all the member services; when they find out, then they use them,” she said.

Other member services that had displays included Case IH (a tractor), Sherwin-Williams paint, Pro Security Systems and two auto glass companies. The local GM dealer, Trice Williams, had several vehicles on the lot with an offer of Farm Bureau discounts. Radio



CALDWELL COUNTY’S EVENT WAS WELL PLANNED AND ATTRACTED A GOOD CROWD.

Station WAVJ-104.9 brought its van to provide music.

The event was held at the agency office just north of the town square. Plenty of publicity on a local radio station and in the weekly newspaper paid off -- people started arriving 30 minutes before the 11 a.m. start. Hundreds dropped by during the three-hour celebration.

Agency Manager Kim White and his employees wore company-gold T-shirts printed with “Kentucky Farm Bureau team” on the front and “Telling Everyone About Member Services” on the back.

Caldwell County FB President Stephen Cox and his wife, Jan, also sported those shirts as they greeted guests. Afterward, Cox said a few new members were signed up.

“This is a great idea to promote Farm Bureau,” he said.

Caldwell County has 2,200 members.

FARM FILE



FARMLAND VALUES ARE AT ALL-TIME HIGHS

USDA's National Agricultural Statistics Service (NASS) reports that both cropland and pasture values for 2008 are at record highs. NASS said farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$2,350 per acre on January 1, up 8.8 percent from 2007. The \$2,350 per acre figure is a record high and \$190 more than last year.

Commercial and residential development has slowed in many regions, but farm real estate values continue to increase. Strong commodity prices, farm programs, outside investments, favorable interest rates and tax incentives continue to drive farm real estate values, according to NASS. Livestock prices, recreational use and urban development are the main influences on increased pasture land values.

The boom reflects high commodity prices that may push net farm income to \$92.3 billion this year from \$88.7 billion last year, according to USDA.

AFBF chief economist Bob Young says the slumping broader economy may constrain farmers who worry that commodity prices are in a bubble similar to what housing and technology have gone through in the past decade.

USDA UPS DIRECT LOAN LIMIT

USDA has increased the limit for direct farm ownership and operating loans to \$300,000, up from \$200,000. The higher limit is expected to help farmers whose credit requirements previously could not be met due to the loan limit. Additionally, some existing borrowers who have reached the \$200,000 limit are eligible to obtain additional funds.

The Farm Service Agency services the loans and provides borrowers with supervision and business planning. Farm ownership, operating, emergency and youth loans are main types of assistance available under the direct program.

GOVERNOR'S ENVIRO CONFERENCE SET FOR OCTOBER 6-7

"Go for the green" is the theme of the 32nd Governor's Conference on the Environment to be held October 6-7 at the Lexington Convention Center.

"This year's conference will focus on ways to help Kentucky prosper in an environmentally sound manner. Kentucky's industries, non-profit organizations, community leaders, policymakers, government officials, and concerned citizens will discuss ways to implement green practices into our communities, businesses, industries, schools, and homes," said Energy and Environment Cabinet Secretary Len Peters.

Conference sessions will include topics on recycling, storm water and water

supply issues, sustainable building design, litter abatement, and more.

Conference registration and payment can be completed online at <http://www.dep.ky.gov/govconference/>. Online registration ends September 29.

The conference features an exhibit hall for vendors wishing to display environmental-related products and services. Vendors may also register and pay online.

For additional conference information contact Natalie Jensen, Kentucky Department for Environmental Protection, at 502-564-2150, extension 111. You may also log on to www.dep.ky.gov for a conference agenda and scholarship information.

DAIRY QUALITY AWARDS ANNOUNCED

The Kevin Coulter family of Washington County won the 2008 Kentucky Dairy Quality Award and Eddie Gibson of Boone County is the Kentucky Dairy Production Award winner. KFB is a co-sponsor of the production award.

The Coulter and Gibson farms were among those honored during the annual Dairy Recognition Dinner held at the State Fair.

The Kentucky Dairy Quality Award is judged on industry quality standards and farm inspections. The Coulter farm

received a monetary award and a farm-gate sign. Other finalists were James Roell of Fleming County and Milton and Jason Jones of Taylor County.

Eddie Gibson took top prize in the Kentucky Dairy Production Award – All Herds competition with a rolling herd average (the average weight of milk a herd produces in one year) of more than 26,000 pounds. He also won the Proficient Dairy Producer Award, which considers many factors as recorded by the Dairy Herd Improvement Association.

KFB DIRECTORS NAMED TO STATE BOARDS

Governor Steve Beshear appointed KFB Directors Danny Wilkinson of Adair County and Bige Hensley of Clay County to state advisory committees. Wilkinson was named for a four-year term on the Animal Control Board and Hensley was put on the board for the Purchase of Agricultural Conservation

Easement Corporation. He will serve a two-year term. Reappointed to the PACE board was Frances Brown, a director of Logan County FB; and Elizabeth Lloyd "Libby" Jones of Woodford County, wife of former Governor Brereton Jones and a past member of KFB's equine advisory committee.

BULLITT COUNTY TO HAVE SAFETY FIELD DAY

Bullitt County FB and the county extension service are teaming up to conduct a farm and home safety field day on September 20 from 10 a.m. to 2 p.m. at the extension office at 384 Halls Lane in Shepherdsville. Besides more than a dozen exhibits and demonstrations, the Kentucky

Department of Agriculture's Farm and Home Safety program specialists will conduct an ATV safety course for ages 9-18. To register your child for the ATV safety course or for more information on the event, call the county extension office at (502) 543-2257.

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*You must be a member of Kentucky Farm Bureau for at least six months prior to date of delivery to be eligible for this private offer. \$500 or \$750 private offer valid toward the purchase or lease of eligible new 2007, 2008 and 2009 model year GM passenger car and light duty truck models. Customers must take delivery by January 2, 2009. Not compatible with other private offers. Not valid with prior purchases. Compatible with many current incentives. Incentives are subject to change. Excludes Cadillac CTS-V, XLR-V and STS-V; Chevrolet Corvette Z06; HUMMER H1; hybrid vehicles and medium-duty trucks. See dealer for complete details. © 2008 GM Corp.

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