

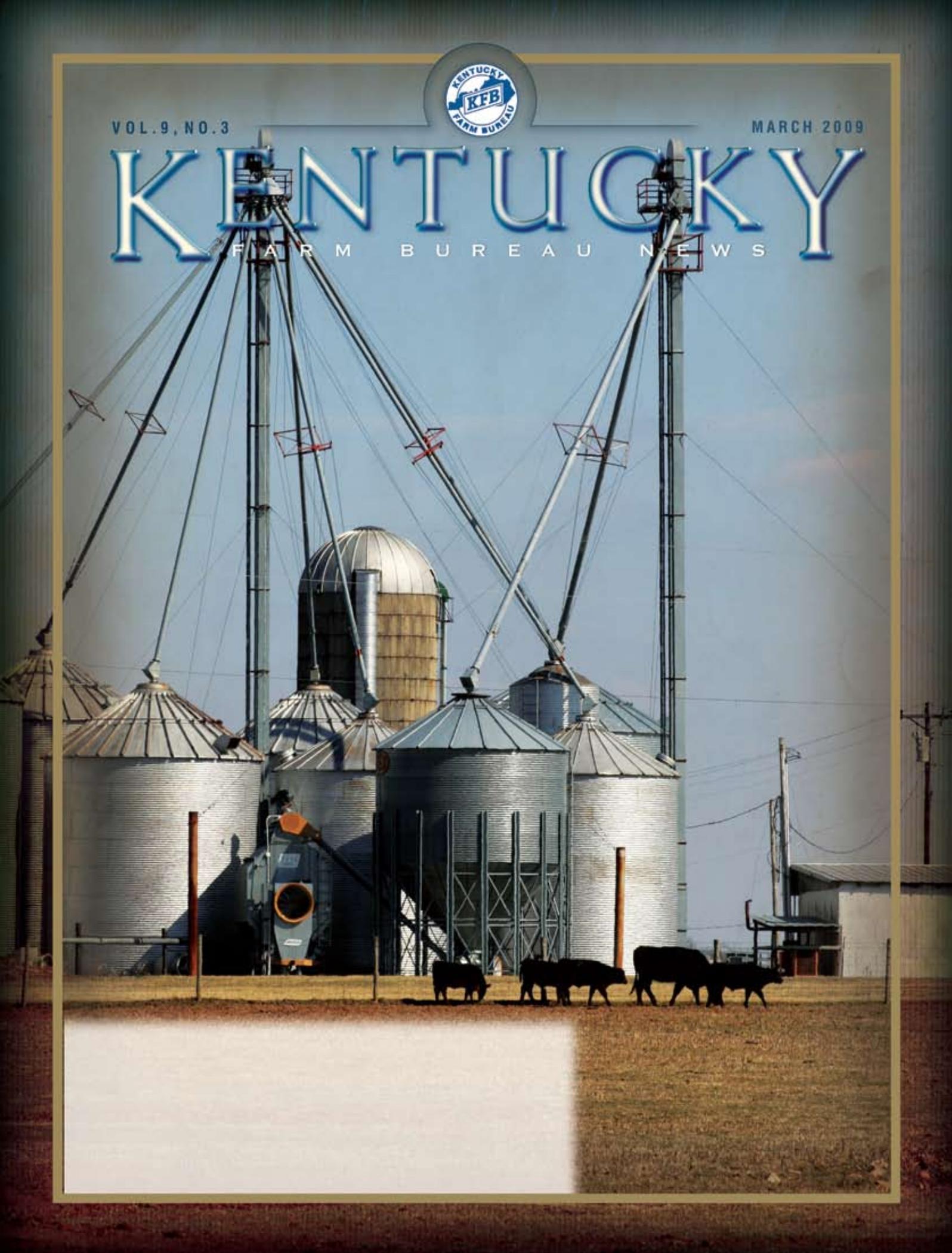


VOL. 9, NO. 3

MARCH 2009

KENTUCKY

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



Farm Bureau has experience with a national economic crisis

By Stewart Truelsen

There is one thing missing from the economic stimulus package signed into law by President Barack Obama – a catchy title. The American Recovery and Reinvestment Act pales in comparison with the New Deal of some 75 years ago.

The federal government's response to the Great Depression, Franklin D. Roosevelt's New Deal, was a major chapter in Farm Bureau history. American Farm Bureau leaders led by President Edward A. O'Neal worked closely with the new administration in 1933 to craft the Agricultural Adjustment Act which is considered to

be the nation's first farm bill.

At the time one-fourth of Americans lived on farms, and O'Neal warned that a revolution was possible in the countryside unless positive economic action was taken. Not only were farmers hit by plunging income, but many local banks failed which wiped out depositor savings. It was the worst time in U.S. farm history. President Herbert Hoover's grim-faced treasury secretary, Andrew Mellon, said the time had come to liquidate labor, farmers, stocks and real estate.

Farm Bureau had other ideas, especially as it pertained to farmers. One reason it is the largest and most influential farm organization today has to do with its actions during the Depression. Farm Bureau worked closely with the

nation's leading agricultural economists to come up with the ideas that were incorporated into farm legislation and lobbied for quick passage.

Farm Bureau also advocated inflating the money supply and making more credit available to combat the devastating effects of deflation which had driven down commodity prices. The development of the South's economy aided by the Tennessee Valley Authority was another Farm Bureau success.

Farm Bureau also played a major role in getting farmers to support the New Deal and sign up for its programs. Over the next few years, farm income doubled, and hope was restored to rural America. Farm Bureau itself grew in size and service to members.

Farm Bureau Membership just got better! Members can now save up to \$500*!



Save \$300 off Farmall DXE & DXL series



Save \$500 off JX series

CASE IH™ and the Kentucky Farm Bureau are proud to announce their membership discount program valid on Case IH™ Farmall tractors, JX Series tractors and Case IH™ Maxxum Series tractors.

* Offer restricted to Iowa, Illinois, Kentucky, Pennsylvania, Texas, and Tennessee Farm Bureau members. Customer must be a resident and hold membership for 30 days within one of the eligible states. Present a valid Farm Bureau membership card at time of purchase to qualify. Farm Bureau and the Farm Bureau National Logo are registered service marks owned by the American Farm Bureau Federation, and are used by CNH America LLC under license from the American Farm Bureau Federation and the Kentucky Farm Bureau. Case IH and CNH Capital are registered trademarks of CNH America LLC. ©2007 CNH America LLC., 700 State Street, Racine, WI 53404 USA. All rights reserved.

Case IH is proud to partner with the Kentucky Farm Bureau.



ELIZABETHTOWN
JACOBI SALES INC.
800-730-2655
jacobisales.com

OWENSBORO
H & R AGRI-POWER
800-264-1504
hragripower.com

HOPKINSVILLE
H & R AGRI-POWER
800-844-3918
hragripower.com

RUSSELLVILLE
H & R AGRI-POWER
800-264-2474
hragripower.com

MAYFIELD
H & R AGRI-POWER
800-455-4747
hragripower.com

SHELBYVILLE
JACOBI SALES INC.
800-730-2684
jacobisales.com

MORGANFIELD
H & R AGRI-POWER
800-869-1421
hragripower.com

STANFORD
SAUFLEY IMPL. CO.
606-365-2525
saufleyimplements.com



“COMMENT”

In terms of pure numbers, farmers make up a relatively small portion of our nation’s population. “Small,” however, is the last word that comes to mind when considering the impact they have on our lives.

They not only provide the food that we eat, they also contribute billions of dollars to our economy and are caretakers of our land. To borrow a line from Winston Churchill: “Never in the history of mankind have so many owed so much to so few.”

In Kentucky, our farmers are responsible for not one but eight commodities that bring in more than \$100 million apiece each year. That includes the horses that are the foundation of our signature industry and the corn and soybeans that as biofuels are quite literally driving our efforts to be more energy independent.

The General Assembly has long been a partner in strengthening agriculture. At the start of the decade, my legislative colleagues and I dedicated half of the tobacco settlement to agriculture; a decision that has since put more than \$280 million into the industry.

A year ago, we invested more than \$25 million in postsecondary programs that will improve dairy research and our ability to catch and eradicate livestock disease. Another \$10 million is going to the new agriculture heritage center in Mercer County that will be an ideal teaching tool for years to come. During this year’s legislative session, we were able to protect tobacco settlement funding while addressing the current financial crisis.

For nearly nine decades, Kentucky Farm Bureau has been there for farmers and elected officials alike as an advocate, an educator and a messenger. Any history of agriculture in Kentucky could not be written without documenting the organization’s countless contributions.

There are many variables a farmer cannot control, from the weather to the markets, but they can rest easy knowing that Farm Bureau is working on their behalf.



Greg Stumbo
SPEAKER OF THE HOUSE

ON THE COVER:
A RURAL SCENE IN WARREN COUNTY
PHOTO BY ROGER NESBITT

Kentucky Farm Bureau NEWS is published monthly by the Kentucky Farm Bureau Federation and mailed to all regular members. Bulk postage rate is paid at Lebanon Junction, KY. Changes in address and/or your comments should be mailed to:

Kentucky Farm Bureau Communications Division
PO Box 20700
Louisville, Kentucky, 40250

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.

KFB OFFICERS

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

KFB DIRECTORS

Randall Heath	Hickory
Tripp Furches	Murray
Kelly Thurman	Livermore
Eddie Melton	Sebree
Steve Bolinger	Pembroke
J. Fritz Giesecke	Horse Cave
Larry Thomas	Elizabethtown
Patrick Henderson	Irvington
Russell Poore	Russellville
Jay Coleman	Cave City
Scott Travis	Cox's Creek
Randy Chrisman	Lawrenceburg
David Chappell	Owenton
Terry Rowlett	Campbellsburg
Mark Haney	Nancy
Danny Wilkinson	Columbia
Kim McCoy	Burkesville
Terry Gilbert	Danville
David L. Campbell	Stanford
John C. Hendricks	Winchester
Alex Barnett	Cynthiana
David McGlone	Grayson
Carroll Amyx	Campton
Charlie Bengé	London
Bigge Hensley	Manchester
Marshall Coyle	Owingsville
Frieda Heath	Hickory
Greg Harris	Richmond
Terry Patterson	Elizabethtown
Scott Smith	Lexington
Debbie Anderson	Shelbyville
Kevin Lyons	Tompkinsville

KENTUCKY FARM BUREAU NEWS

Editor	Roger Nesbitt
Production Asst.	Brittany Ogaldez
Graphic Designer	Donia Simmons
	Pioneer Publishing
	Lexington, KY

“The Voice of Kentucky Agriculture”
www.kyfb.com

2009 National Priority Issues

HEALTH CARE

- Support changes in Kentucky's health insurance laws that will stabilize the market, encourage competition, and increase consumer choice.
- Support legislation allowing Association Health Plan provisions.
- Support containment of health care costs through tort reform which would limit excessive damage awards.

RENEWABLE FUELS / ENERGY LEGISLATION

- Continued emphasis on a comprehensive energy plan that includes growth of renewable fuels such as ethanol and biodiesel.
- Support coal gasification technology to produce nitrogen based fertilizers.
- Support the goals of the 25 X '25 energy initiative..

FARM LABOR

- Support reform of the H-2A program to streamline the process making it more reliable, economical and simple for farmers to participate. Reforms should include moving from Adverse Effect Wage Rate (AEWR) to Ag Prevailing Wage.
- Support approval of joint contracts among farmers for the H-2A program by the Department of Labor.

ENVIRONMENT

- EPA should not exceed legislative authority in the implementation of the Clean Water Act and Clean Air Act programs. (TMDL, Hypoxia, Animal Waste, Air Quality, etc.)
- Oppose climate change mandates, such as carbon taxes and cap and trade policies that adversely impact agriculture.
- Improvements to soil and water quality should be the highest priority when considering implementation of all conservation programs.

TAXES

- Permanent repeal of the Estate Tax.
- Further reduce capital gains taxes. Reductions should be made permanent..

LIVESTOCK

- Support the right of farmers to raise livestock in accordance with commonly accepted agricultural practices.

TOBACCO

- Continue to focus on all post buy-out issues and seek opportunities for expanded markets for U. S. grown tobacco.

PRIVATE PROPERTY RIGHTS

- Oppose any action by government that diminishes an owner's right to use his property for legitimate purposes.
- Support a thorough review of all federal regulations that encroach on the rights of property owners.

NATIONAL FARM POLICY

- Support allowing farmers to combine farms with less than 10 base acres for the purpose of government program eligibility.
- Support the Farm Service Agency removing the requirement that producers must obtain crop insurance to be eligible for assistance (USDA-declared crop disaster)

MARKET IMPROVEMENT

- Support increased oversight of commodity markets to reduce manipulation of cash markets or artificial price swings.
- Support continued focus on agricultural components of trade agreements that will enhance opportunities and increase demand for Kentucky-grown products.

Idea Exchange

Agritourism Conference sprouts seeds for growth

There are a variety of reasons why more and more Kentuckians are flocking to agritourism venues, but the primary factor likely is the growing number of such businesses and a communications network to promote them to consumers.

Whereas only a handful of “agritourist” destinations existed in the commonwealth only a decade or so ago, the Kentucky Department of Agriculture currently has a list of 310 businesses on its agritourism web page. This boom has given rise to an annual conference aimed at sharing ideas for “marketing your farm.” This year’s event was held last month at the Sloan Convention Center in Bowling Green.

Besides a lengthy agenda of speakers and workshops, the conference also featured a trade show plus a reception at nearby Chaney’s Dairy Barn, which has emerged as one of the more successful agritourism ventures.

Kara Keeton, who manages KFB’s Certified Roadside Farm Markets program, was among those welcoming the group. She noted that both KFB President Mark Haney and First Vice President John Hendricks operate farm markets – a sign of the times in Kentucky agriculture.

“We’re real excited to have such advocates for tourism,” she said.

It’s no coincidence that the agritourism surge has coincided with the state’s ag development initiative fueled by Master Settlement Agreement funds. Many of the new or expanded ventures have tapped into that fund.

Another growth factor, according to KDA marketing official Mac Stone, is a “cooperative” support system involving programs from KDA, KFB, the UK College of Agriculture and the Governor’s Office for Agricultural Policy. “There are no turf battles going on,” Stone told the audience during his welcoming remarks. “There’s plenty of work to go around.”

Agreeing was UK’s Steve Isaacs, who said he was pleased the university was working well “across agendas” with KDA and KFB.

Another key, said Stone, was legislative and administrative actions in Frankfort that have linked agriculture and tourism development initiative. “We’re very glad for this marriage” between

agriculture and tourism, Stone said.

Kentucky Tourism Secretary Marcheta Sparrow, in fact, was one of the conference’s keynote speakers. Another was Burr Morse, who operates a nationally-recognized agritourism enterprise (maple syrup and products, gift shop, mail order, recreation, etc.) on a seventh-generation farm near Montpelier, Vermont. His suggestions

included “become a merchandiser,” “always be thinking of how to make a new product or make things better,” “overcome problems with the common sense God gave you as a farmer,” “do just about anything for free PR,” and “remember, no one can market your business better than you because you have that business in your heart.”

“..Overcome problems with the common sense God gave you as a farmer...”



ALL AROUND SERVICE ALL AROUND KENTUCKY



Presidents Conference . . . County leaders urged to “inspire” and “persevere”

Avast ability to inspire and comfort people made Bob Russell a highly-acclaimed minister at Louisville’s Southeast Christian Church. It also made him a good choice to be the keynote speaker at this year’s Presidents and Vice Presidents Conference – farmers are in need of some encouragement during these troubling times.

Russell, who is retired from the ministry, was raised on a Pennsylvania farm and therefore knows a thing or two about rural hardships. During a luncheon address to the more than 200 county Farm Bureau leaders, he suggested five guidelines for dealing with the economic crisis, to wit:

- Be realistic and be prepared for a prolonged struggle. “Develop a persevering mindset; we could be in for a long struggle,” he said.
- Keep working even though you don’t see immediate results. “This is not a time for you to be complacent,”

he said.

- Review priorities and keep material things in perspective. “You don’t have to have things to be happy,” he asserted. “The value of life is measured by relationships.”

“You don’t have to have things to be happy. The value of life is measured by relationships.”

— Bob Russell

- Quit comparing and competing. “Do you have to be bigger than the guy down the road?” he asked. “Enough is never enough. Be content with what you have.”
- Get happy; or at least act happy. “You can choose to be miserable or you can choose to be happy ... and lift other people up. Everyone respects someone who is happy.”

Russell also challenged the group to embrace their roles.

“You should not only be the voice of agriculture; but work to inspire the people in your community,” he said. “Be a servant leader that others look up to. Have a positive spirit.”

KFB President Mark Haney issued a similar challenge during his closing remarks for the two-day conference. He reminded the county leaders that they were in the position to “shape the scope and effectiveness of your county’s level of service to both members and the community as a whole.”

He encouraged the utilization of committees to broaden responsibilities and expand activities. That’s especially vital in today’s busy society, he added.

“All of us are pretty consumed with the demands of work and family, but

ABOVE: KFB PUBLIC AFFAIRS DIRECTOR LAURA KNOTH GAVE AN UPDATE ON SOME STATE ISSUES. SHE WAS JOINED BY COLLEAGUES (FROM LEFT) TONY SHOLAR, DAVID FINNEY AND BRYAN ALVEY.

we're also good citizens and futurists," Haney said, "We want to make a difference and we want a better future for ourselves and our families. We don't just want to generate positive results for today – we also want to leave things better positioned for the future."

In other conference proceedings:

- A session on successful county programs highlighted three projects: A

legislative appreciation event in Daviess County; an ATV safety program in Warren County; an ag education "field day" for fourth graders in Greenup County.

- KFB's Public Affairs team provided updates on state and national issues.

- John Sparrow, Vice President of Agency Support and Marketing, gave an overview of the urban market devel-

opment initiative.

- Stephen F. Higgins, Director of Environmental Compliance for UK's Agricultural Experiment Station, discussed water quality issues.

The county leaders also took a moment to have their pictures taken for use in a new "County Presidents Directory" that will be published and distributed this spring.



LEFT: BOB RUSSELL CHALLENGED THE COUNTY LEADERS TO "INSPIRE THE PEOPLE IN YOUR COMMUNITY."

BELOW: MORE THAN 200 ATTENDED THE ANNUAL CONFERENCE AT LOUISVILLE'S HOLIDAY INN HURSTBOURNE HOTEL.





BARLEY ATTRACTING MORE INTEREST

BY CAROL SPENCE
UK COLLEGE OF AGRICULTURE

In the 1950s, more than 120,000 acres of Kentucky farmland stood in barley. Today, that number is down to approximately 10,000 acres. Blame most of the precipitous drop in acreage on the decrease in demand for barley over the last 50 years. But now there's a renewed interest in the grain, and some producers are beginning to take another look at the crop.

Demand is beginning to slowly increase, and ethanol might be the reason. Once producers started diverting corn toward fuel production, its cost

rose for animal feed. As a result, livestock producers, particularly those raising swine, started to look at other feed options. Barley is one of those options.

But aside from being used for feed, barley itself is being sought by some companies as biomass for ethanol production. A Virginia company, Osage Bio Energy, currently is contracting with farmers in the Mid-Atlantic States for 300,000 acres of barley annually. According to their Web site, the company is developing the first barley-based facility in the Southeast and Mid-Atlantic regions to produce biofuel and animal feed.

At the UK Winter Wheat Meeting, Dan Brann, a retired extension grains

specialist from Virginia Tech and a consultant for Osage Bio Energy, explained the company's plans to produce bio ethanol, barley protein meal and barley fiber pellets, a renewable fuel. He told the gathering that this was opening up new opportunities to farmers in the Mid-Atlantic and, if successful, might provide a market for Kentucky farmers in the future.

"There are many reasons to consider barley for the process over another biomass crop. One, barley fits really well into the cropping systems," he said.

Bill Bruening, coordinator of the Small Grain Variety Testing Program in the UK College of Agriculture, agrees that barley could have its advantages in a double-crop system because of the increased soybean yield that often results.

"Barley can be harvested two weeks prior to wheat," he said. "Typically when we get into wheat harvest, it puts us in a late-planted soybean situation. When you plant soybeans late, the yields decline."

Data averaged over many years shows that for every day soybeans are planted after June 10, farmers can expect yields to drop by 1 to 1.5 percent per day, which translates to about one-half to three-fourths of a bushel per acre per day.

"Soybeans right now are around \$10 a bushel, so you're talking about a tremendous amount of money that farmers are losing when they have to double-crop behind wheat," Bruening said.

But he also said although the price of barley has increased somewhat in the past few years, it is always lower than wheat.

"With high input costs, the margin of barley production profitability is questionable," he said. "In order for barley's potential benefit in a double-crop system to be realized, input costs must decrease and/or barley price increase."



FARM BUREAU MEMBERS CONTINUE TO RECEIVE
A VALUABLE OFFER WORTH UP TO

\$750*

FROM GM.

Kentucky Farm Bureau members can get a \$750* private offer toward the purchase or lease of any new GM E85† FlexFuel vehicle. Or get a \$500* private offer toward the purchase or lease of most new GM vehicles, now including hybrids. GM features a growing lineup of hybrid cars, trucks and SUVs that provide great fuel economy. Start saving today. Private offer available 1/3/09 to 1/4/10. To redeem, provide your GM dealer with your authorization number, available at gmfleet.com/kyfb.

BRANDENBURG
TONY BROWN
CHEVROLET, INC.
888-920-2141
www.tonybrownchevrolet.com

FLORENCE
JEFF WYLER BUICK
PONTIAC GMC
859-525-8001
jeffwylerflorencepontiac.com

HARRODSBURG
SPIRIT CHEVROLET-
BUICK
800-880-7736
spirit-chevrolet.com

LOUISVILLE
SPRINGHURST
CHEVROLET
800-798-3412
www.springhurstchevrolet.com

CLARKSVILLE, TN
JAMES CORLEW
CHEVROLET-CADILLAC
800-847-0768
www.jamescorlew.com

HARDINSBURG
DAN POWERS CHEVROLET
BUICK PONTIAC GMC
270-756-5212
danpowersgmcenter.com

HENDERSON
HENDERSON CHEVROLET
BUICK PONTIAC GMC
800-578-8467
www.hendersonchevrolet.com

SHELBYVILLE
BOB HOOK CHEVY
BUICK PONTIAC GMC OF
SHELBYVILLE
502-633-4840



* You must be a member of KYFB for at least 120 days 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 2008, 2009 and 2010 model year GM passenger car and light duty truck models. Customers must take delivery by January 4, 2010. Not compatible with other private offers. Not valid on prior purchases. Compatible with current incentives. Incentives subject to change. Excludes Cadillac CTS-V, Chevrolet Corvette ZR1, HUMMER H1, Saturn vehicles and medium duty trucks. See dealer for complete details.
† E85 ethanol is 85% ethanol, 15% gasoline. Go to gm.com/biofuels to see if there is an E85 station near you. ©2009 GM Corp.

CHEVROLET • BUICK • PONTIAC • GMC • SATURN • HUMMER • SAAB • CADILLAC



Dairy industry is reeling

Dairy farmers are facing difficult circumstances due to the global economic recession driving down demand here and overseas. Dairy supplies are growing which is pulling down farm gate prices, according to Allison Specht, a dairy and regulatory economist with AFBF.

"This steep drop in dairy prices will be felt by dairy farmers for several months to come," Specht said. "The cost-price squeeze is being felt across the country, leaving little room for error in individual producers' management and hedging decisions."

Specht prepared a special dairy report that was released in mid-February.

"It is no surprise to many in the dairy industry that dairy product prices have declined. What is surprising is the dramatic correction that took place from the end of December throughout January," Specht explained in the report.

Dairy prices on the futures market traded at \$14.13 per hundredweight on December 1, \$10.28 per hundredweight on December 31, and \$9.30 per hundredweight on February 9. Milk prices are down more than 50 percent from last summer after hitting all-time highs in 2007 and climbing to the second highest level on record in early 2008.

Specht said the main culprit for low prices paid to dairy farmers is the general economic situation.

"The financial condition of consumers has changed domestic food consumption patterns, and dairy is feeling the negative effects of this trend," Specht said. "Exports had insulated the dairy industry from feeling losses in away-from-home demand, but this is no longer the case. While grocery dairy-buying may be expanding slightly, losing any food service demand, which accounts for 40 percent of dairy consumption, is bad news."

The National Restaurant Association tracks the industry's health and performance. December's index

marked the 14th consecutive month that the index was below 100. An index below 100 signals industry contraction, thus less dairy buyers in the marketplace.

On the export front, higher levels of production from New Zealand this year as that nation has recovered somewhat from past droughts, coupled with decisions by the European Union to once again directly subsidize exports, have also contributed to much stronger competition in trade markets.

"Many analysts believe the dairy market is close to the bottom and should not fall much further," Specht said. Butter and milk powder prices are

at government support levels, and the federal government purchased nearly 162.3 million pounds of nonfat dry milk and almost 2.67 million pounds of butter between October 1, 2008 and February 6, 2009.

Most dairy industry analysts foresee depressed prices through the duration of the recession. However, optimists anticipate a mid to late-year turnaround.

"The U.S. dairy industry is positioned very well in the long-term (post 2009) assuming a growing world economy, but individual producer survival is dependent on management decisions and how long the short-term economic woes will last," Specht said.

Since 1921 Relax...
Ritchie®
waters 'em right®

Fresh water on demand,
24 hours a day.

Top quality materials. Smart design. Built to last.



Thrifty King Series

Ritchie manufactures a complete line of livestock watering products with the highest specifications in the industry. From a single horse Stall Fount to a fountain that waters up to 500 head, Ritchie fountains are top quality. Products are available in stainless steel, heavy-duty poly or a combination of both. Every Ritchie fountain is backed by our 10 year limited warranty.

For more information,
or the name of your nearest dealer, call
Breeders Supply & Equipment • 800-432-9342

The color arrangement on Ritchie fountains is a registered trademark of Ritchie Industries.
U.S. patent numbers: 5174245, 4646687, 4739727. Register number 2,009,625.
© 2009 Ritchie Industries www.ritchiefount.com

Farm numbers are up

The number of farms in the United States has grown four percent and the operators of those farms have become more diverse in the past five years, according to results of the 2007 Census of Agriculture.

“Through the census, we’re able to take the aspects of agriculture that make it most unique – the numbers and the people – and incorporate them into the most accurate profile possible of U.S. agriculture,” said U.S. Agriculture Secretary Tom Vilsack.

“The Census of Agriculture is far more than a tally of numbers. It’s a reflection of the people —and their livelihoods — behind those numbers ... truly the People’s Department at work. And it’s a guide to putting dollars and resources into programs and services that will serve the people well in this century.”

The 2007 Census counted 2,204,792 farms in the United States, a net increase of 75,810 farms. Nearly 300,000 new farms have begun operation since the last census in 2002.

Compared to all farms nationwide, these new farms tend to have more diversified production, fewer acres, lower sales and younger operators who also work off-farm.

In the past five years, U.S. farm operators have become more demographically diverse. The 2007 Census counted nearly 30 percent more women as principal farm operators. The count of Hispanic operators grew by 10 percent, and the counts of American Indian, Asian and Black farm operators increased as well.

The latest census figures show a continuation in the trend towards more small and very large farms and fewer mid-sized operations. Between 2002 and 2007, the number of farms with sales of less than \$2,500 increased by 74,000. The number of farms with sales of more than \$500,000 grew by 46,000 during the same period.

Census results show that the majority of U.S. farms are smaller operations. More than 36 percent are classified as residential/lifestyle farms, with sales of less than \$250,000 and operators with a primary occupation other than farming. Another 21 percent are retirement farms, which have sales of

less than \$250,000 and operators who reported they are retired.

In addition to looking at farm numbers, operator demographics and economic aspects of farming, the Census of Agriculture delves into numerous other areas, including organic, value-added, and specialty production, all of which are on the rise.

The 2007 Census found that 57 percent of all farmers have internet access, up from 50 percent in 2002. For the first time in 2007, the census also looked at high-speed Internet access. Of those producers accessing the Internet, 58 percent reported having a high-speed connection.

Other “firsts” in the 2007 Census include questions about on-farm energy generation, community-supported agriculture arrangements and historic barns.

The Census of Agriculture, conducted every five years, is a complete count of the nation’s farms and ranches and the people who operate them. It provides the only source of uniform, comprehensive agricultural data for every county in the nation. Census results are available online at www.agcensus.usda.gov.



**PUT THE MOST EFFECTIVE
REAL ESTATE AUCTION
TEAM IN THE NATION
TO WORK FOR YOU.**

“The Kurtz Auction Team”



For more information

800 - 264 - 1204
www.kurtzauction.com

Kentucky has 85,260 farms

Kentucky farmers took in \$4.82 billion from the sale of farm products in 2007, according to the 2007 Census of Agriculture. That’s an average of \$56,586 per farm and a 57 percent increase over the last census in 2002.

Leland Brown, director of the Kentucky office of the National Agricultural Statistics Service, pointed out that the sales number includes multiple sales of livestock, such as sales of cattle between farmers and then from the farmer to the stockyard.

The number of tobacco farms in Kentucky declined 72 percent since 2002 to 8,113, according to the census. Tobacco acres harvested fell 21 percent from 2002. The federal tobacco quota and price support system was eliminated after the 2004 growing season.

The census showed that slightly fewer people farmed slightly more acres in Kentucky in 2007 than in 2002. Eighty-nine percent of

Kentucky’s 85,260 agricultural operations are still run by individuals or families, and most are still small farms. The number of farms declined one percent from 2002, but the size of farms increased one percent from an average of 160 to 164 acres.

The number of full-time farmers in Kentucky dropped from 54 percent in 2002 to 40 percent in 2007. The average age of farm operators was 56.5 years old, up from 55.2 in 2002.

Twenty-seven percent of agricultural producers were women in 2007, and the number of women who were principal operators increased 10 percent from 2002.

Fayette County led the state in equine sales at nearly \$410 million and led every U.S. state in that category.

Kentucky continues to have the largest beef cow inventory east of the Mississippi River, numbering 1.17 million head. Total cattle inventory was reported at 2.4 million head, same as 2002.

Angela Blank is new PR director

Angela Blank is KFB's new Director of Public Relations, joining the staff following four years with the Governor's Office of Agricultural Policy (GOAP), including three years as Director of Communications. She also has nine years of experience as manager of a farm market and nursery.

In her new capacity with KFB's Communication Division, Ms. Blank will handle media relations, promotional projects and serve as a liaison to county Farm Bureaus on a variety of projects and programs. She also will handle the organization's quarterly "marketbasket survey" of retail food prices throughout the state and coordinate special projects such as a State Spelling Bee, a Conservation Poster and Essay contest and the Kentucky Farm Bureau Beef Expo. She began work on March 2.

"We are pleased to add to our communication team someone with such a strong background in agriculture," said KFB Executive Vice President David S. Beck. "Ms. Blank's position with GOAP provided her with a wealth of experience in dealing with the state's farm community and in handling agricultural communications projects. We feel she is a



Angela Blank

perfect fit for Farm Bureau."

Ms. Blank became the Director of Communications for GOAP in September of 2005, only a year after joining that agency. As director, she was the agricultural liaison to the Governor's communication staff and was in charge of all media relations and public relations activities related to the promotion of programs under the Kentucky Agricultural Development Fund and the Kentucky Agricultural Finance Corporation. She also has extensive experience with trade shows and event planning.

Ms. Blank holds a Bachelor's Degree in Communications from the University of Louisville and is a graduate of the University of Kentucky's Agriculture Leadership Program. She is a member of "Kentucky Women in Agriculture" and a director for the Kentucky Association of Government Communicators.

CANCELLATION

The Young Farmers winter outing in Louisville was cancelled due to the torrid ice storm in late January. It was not rescheduled. The next event for young farm families will be the popular summer outing scheduled for July 10-12 in Bowling Green.

??? WEED PROBLEMS ???

Eliminates Pigweed, Johnsongrass, Smut Grass, Thistles, Ragweed, Love Grass & Any Other Noxious Weeds!

"The Fast, Effective & Economical Way"



The Grassworks Weed Wiper system is an aggressive yet economical & environmentally friendly method of applying herbicides to control weeds in hay and pasture, row cropping, food plots, sod farms, vegetable truck farms, pecan orchards and many more applications.



The Weed Management System

• Roll on paint brush application • Pennies per acre
No Drip • No Drift • Can be applied in windy conditions



Kills Weeds. . . Save Legumes - CALL TODAY!
(888) 80-WIPER Or (479) 790-1091

GrassWorks Weed Wiper LLC

Email: sales@weedproblems.com
www.weedproblems.com

MILK PRODUCTION WAS HIGHER IN '08

The 2008 annual production of milk for the U.S. was 190 billion pounds, 2.3 percent above 2007. Production per cow in the U.S. averaged 20,396 pounds for 2008, 192 pounds above 2007. The average annual rate of increase in milk production per cow since 1999 is 14.8 percent. The average number of milk cows on farms in the U.S. during 2008 was 9.32 million head, up 1.4 percent.

FARM INCOME PREDICTED TO DROP

USDA is forecasting net farm income to be \$71.2 billion in 2009, down \$18.1 billion, or 20 percent, from the preliminary estimate of \$89.3 billion for 2008. This would still be nine percent above the 10-year average of \$65 billion.

Net cash income, at \$77.3 billion, is forecast down \$16.1 billion, or 17 percent, from 2008 but still 7.6 percent above its 10-year average of \$71.8 billion.

Total expenses are forecast to decline for the first time since 2002. The 2007 and 2008 increases in farm expenses, at \$20.5 billion and \$36.2 billion, respectively, were the largest year-over-year absolute changes on record. The \$13.5-billion decline in expenses projected for 2009 would still leave farm expenses nine percent higher than in 2007.

The 2009 crop receipts forecast would be the first decline since 1999. Crop receipts have increased by 20 percent or more in each of the last two years; at \$162.4 billion, 2009 receipts would be the second highest on record.

The value of livestock, dairy, and poultry is forecast to be \$131.9 billion in 2009, down eight percent from 2008. The global economic slowdown, high retail prices and a strengthening U.S. dollar have reduced demand for animal products in domestic and international markets.

The animal sector is projected to account for 44 percent of total agricultural cash receipts in 2009, nearly the same ratio as in 2008.

Government payments are forecast to fall in 2009 to their lowest level since 1997. Most of the decline from 2008 is due to lower projections for ad hoc and emergency assistance payments.

FEWER CATTLE IN KENTUCKY

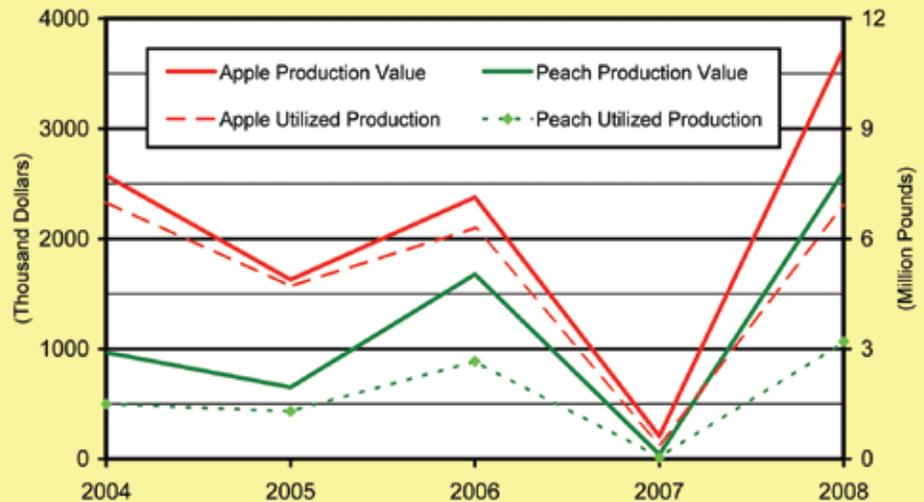
The Kentucky cattle and calf inventory for January 1 was estimated at 2.30 million head, which is 100,000 head, or four percent, below a year earlier. USDA attributes this to high feed costs, a troubled economy and volatile market conditions.

Cows and heifers that have calved were estimated at 1.20 million head, down 50,000 head from a year earlier. The beef cow inventory was estimated at 1.114 million head and milk cows were estimated at 86,000 head, down

5,000 head. Beef replacement heifers at 160,000 head were down 25,000 from January 2008, dairy heifers at 50,000 were up 5,000 and other heifers at 110,000 were unchanged from the previous year. Steers 500 lbs. and over numbered 215,000 head, a decrease of 25,000 from 2008. Calves less than 500 lbs. were estimated at 490,000 head, unchanged from the 2008 estimate. The 2008 calf crop at 1.07 million calves is 40,000 less than the 2007 estimate.

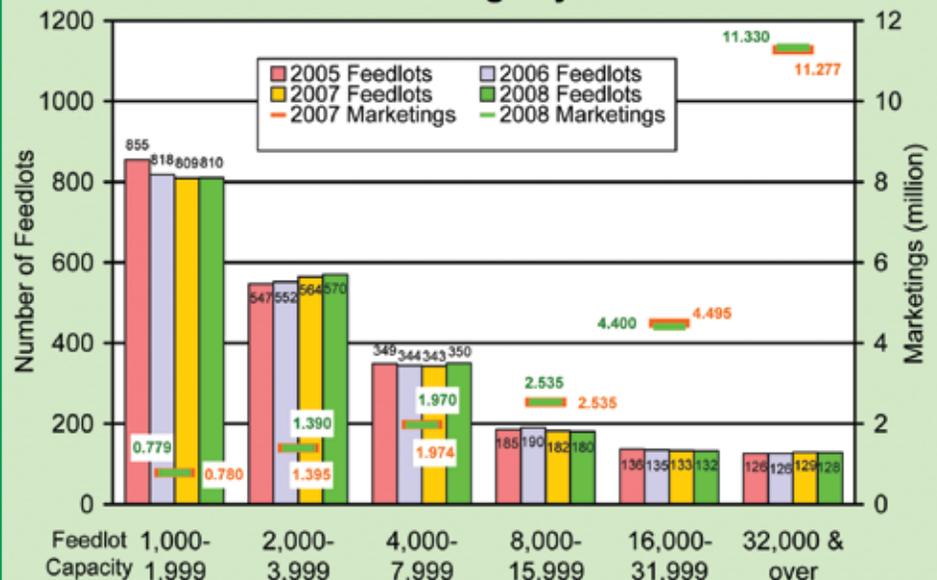
The U.S. cattle herd totaled 94.5 million head, down 1.6 percent.

Kentucky Apples and Peaches: Production and Value



Source: Kentucky Agri-News, USDA-NASS, Kentucky Field Office, February 5, 2009

U.S. Cattle Marketings by Feedlot Size



"Nutrition" fuels Check-Out Week



By Cyndie Sirekis
AFBF Staff

During Food Check-Out Week, February 15-21, farmer and rancher members of many local Farm Bureaus reached out to consumers with practical information and tips on how to put nutritious meals on the table with fewer dollars.

Public health experts are concerned that today's tough economic times could lead consumers to resort to cheaper, high-calorie foods, which can lack important vitamins, minerals, fiber and other nutrients.

To proactively address this issue, Farm Bureau, working with a registered dietician, produced consumer educational material on a variety of topics including "Tips for Better Nutrition on a Tight Budget," "Understanding Food Labels," "Understanding What My Pyramid

Means" and "How Much Should I Eat?" "Stretching Your Grocery Dollar With Healthy, Nutritious Food," was this year's theme for Food Check-Out Week, reflecting the fact that many Americans are feeling an economic squeeze and as a result, are eating out less and preparing more meals at home.



"We recognize the need everyone has to find solutions to feed their families healthy foods on a stretched budget," says Terry Gilbert, a Kentucky farmer and

chair of the AFBF Women's Leadership Committee. "While America's farmers are committed to producing safe, healthy food, they share with consumers the same issues of putting nutritious meals on the table while sticking to a tight budget."

On the national level, the AFBF Women's Leadership Committee held a supermarket tour in Louisville to help consumers increase their knowledge of how to stay on a budget while purchasing healthy food for their families. The committee also made cash and food donations to Ronald McDonald Houses in Louisville and Phoenix.

Since the program was initiated in the mid-1990s, Farm Bureau members have donated more than \$2.6 million in food and monetary contributions to Ronald McDonald Houses and other worthwhile charities.

KENTUCKY FARM BUREAU CERTIFIED

Something for All Seasons

ROADSIDE FARM MARKET

This sign welcomes you to some of the best farm markets in Kentucky.

Call or e-mail today for your **free** Certified Roadside Farm Market Directory.

(502) 495-5106
roadside@kyfb.com
www.kyfb.com

STAINLESS STEEL Outside Woodburning Heater

The Hardy Features...

25-year warranty Low Maintenance

No smoke, ash or wood trash in your home

Connects to existing systems UL Listed

Standard with bronze pump, combustion Blower and grates

FedUp
with high heating bills?

We Have the Solution!

1-800-542-7395
www.hardyheater.com

FARM FILE



POTATO IS MOST POPULAR VEGETABLE

A new survey by the Idaho Potato Commission (IPC) confirms that Americans love their spuds...so much that 75 percent of potato enthusiasts consider themselves "potato lovers." When asked to select their favorite vegetable, consumers picked potatoes (26%), corn (19%) and broccoli (17%). More than 95 percent of Americans who eat potatoes say they do so an average of two days per week, and nearly half of these admirers include the spud in their meal plan up to four or seven days.

Mashed potatoes (28%) and baked potatoes (25%) top the list of preferred preparations, with French fries (20%), home fries/hash browns (10%) and potato chips (5%) following.

AFBF PRAISED FOR ANIMAL AG PROGRAM

An editorial in Capital Press emphasized the importance of dialogue on animal rights issues and credited AFBF's Conversations on Care initiative as an important tool in the debate.

"Groups, such as the American Farm Bureau Federation, use another tactic: dialogue," the editorial emphasized. "They see the need to peel away the layers of inflammatory rhetoric and discuss with animal rights groups —the reasonable ones, at least — and the public what they do, how they do it and why. Through a Web site, Conversations on Animal Care, www.conversationsoncare.com, farmers and ranchers discuss how they raise and care for their livestock. Members of the public can ask questions and get straight answers online."

The editorial emphasized the importance of relating the real story of animal agriculture out to the public, stressing that the animal rights movement will not go away.

IFAL APPLICATION PERIOD IS UNDERWAY

Applications are being accepted up until April 27 for the 24th annual Institute for Future Agricultural Leaders (IFAL) Conference. IFAL is a unique five-day summer leadership conference that exposes students to college life and explores different fields of study for careers in agriculture. Students will have the opportunity to choose between two separate conferences. The IFAL conferences will be held June 14-18 at Murray State University in Murray and June 21-25 at the University of Kentucky in Lexington.

The conference is for students who are currently high school juniors. Students may state their preference con-

cerning which IFAL session they wish to attend. However, stating a preference does not guarantee selection to that session. No one will be assigned to an IFAL conference that they have not initially selected without personal contact with, and approval from, the student or a family member.

County Farm Bureaus may nominate up to four students. High school agriculture teachers and county 4-H/youth development extension agents are also receiving IFAL applications and information. These officials can nominate youth, but they must be approved by their local county Farm Bureau. The conference fee is \$250.

AFBF LAUNCHES NEW CONSUMER WEB SITE

AFBF launched a web site targeted at consumers. The site, "Your Agriculture", at www.fb.org/yourag, is aimed at educating the non-farming public about agriculture issues, farmers and ranchers and the food, fiber and fuel they grow.

The site includes:

- A "Meet a Farmer" section, which profiles a farmer or rancher each month with an audio slideshow and Q&A. Heather Hill, a pork producer from Indiana and AFBF Young Farmer & Rancher Committee member, is the first

farmer to be profiled for the site.

- A series of quizzes to test the public's farm IQ and determine if they are "smarter than a 5th grade farm kid."

- A consumers' guide to farm policy and agriculture issues.

- Farm fact sheets, a foodie blog and video stories from the public television series "America's Heartland."

The "Your Agriculture" website is the most recent effort taken by AFBF to reach out to consumers about farming and ranching.

AFBF URGES GROUND WATER PROTECTION

AFBF has teamed up with the National Ground Water Association to promote National Ground Water Awareness week March 8-14. The organization supports efforts during awareness week to provide well owners (and other users) useful information on the importance of ensuring a clean, safe water supply.

Whether one lives in urban or rural areas, the best way to protect ground water is through the proper storage, use, and disposal of hazardous household substances. Such substances include prod-

ucts like gasoline and oil, paints and paint thinner, fertilizers, weed killers, pesticides and cleaning products.

Ground water is vital to the health and well-being of people across the nation. About 12 million households rely on private wells for their water supply and many community water systems rely on ground water in whole or part to meet water demands. Ground water also supplies much of the nation's water for agricultural irrigation and makes up about 95 percent of all available fresh water.

NEW FARM BILL EXPANDS BEGINNING FARMER PROGRAMS

Many of the beginning farmer provisions of the 2002 Farm Bill programs were expanded in the new farm bill and some new ones were added.

Farm ownership and operating loan amounts change. Basic programs administered by the Farm Service Agency (FSA) of USDA provide direct and guaranteed farm ownership and operating loans for farmers and ranchers. In the new farm bill, larger percentages of the direct and guaranteed ownership and operation loans are reserved for beginning farmers and ranchers and for socially disadvantaged farmers and ranchers. The purpose of reserving funds for these borrowers is to target government credit programs to those most in need of credit assistance; to ensure that socially disadvantaged and beginning farmers and ranchers can obtain access to credit; and to help change the structure of agriculture by helping to reverse the aging of American agriculture and loss of minority land ownership.

The 2008 U.S. Farm Bill sets aside

75 percent of direct farm ownership loans (increased from 70 percent), 40 percent of guaranteed loans (increased from 25 percent) and 50 percent of the direct operating loans (increased from 35 percent) for beginning farmers.

The Beginning Farmer and Rancher Development Program will provide \$15 million of competitive grants each year for education, extension and outreach initiatives to help young people prepare for a future in agriculture.

The Down-Payment Loan Program addresses the significant cash flow requirements of most new farm operations. It matches the resources of the FSA with a beginning or socially disadvantaged farmer and a commercial lender or private seller to enable beginning, minority and women farmers to make a down payment on a farm or ranch. These loans have attractive 20-year terms at four percent lower than regular FSA direct farm ownership loans, but no less than 1.5 percent.

The Beginning and Socially Disadvantaged Farmer and Rancher

Land Contract Program “pilot” guarantee program has become reauthorized and nationwide through the 2008 bill. It was designed to encourage retiring landowners to sell to beginning or socially disadvantaged farmers and ranchers through private contracts. There are two guarantee options associated with this program: prompt payment guarantee of three amortized annual installments, or 90 percent principal loan value guarantee in effect for 10 years.

The Conservation Reserve Program Transition Option is designed to facilitate the transition of land to beginning and socially disadvantaged farmers and ranchers for the purpose of returning the land to production using sustainable grazing or crop production methods. To encourage this program, CRP contract holders can receive two extra years of rent payments for leasing or selling that land to a beginning or socially disadvantaged farmer.

For complete details on the 2008 Farm Bill, contact the local FSA office or visit <http://www.fsa.usda.gov>.



A salute to the senator

KFB Director David Chappell of Owen County presented Senator Jim Bunning with a “Friend of Farm Bureau” award for an exemplary voting record on issues of importance to farmers.

Bunning has won the award on several occasions. The presentation took place at his Northern Kentucky office.



Operating loans to help you grow your business, season after season.

There are some big questions looming out there. Will the wild volatility in prices that marked 2008 continue? Can I count on a market price that will cover the increasing costs of inputs? Will I have access to steady, reliable credit during these uncertain times? We can't answer those first two questions, but if you're looking for a steady, dependable lender for your farming operation, look to Farm Credit Services of Mid-America. Our doors are open for your credit needs, be it a seasonal operating loan, or multi-year line of credit. Right now, interest rates are much lower than they were a year ago, and our knowledgeable, helpful people are ready to customize loans, leases or crop insurance that fit your operation. Give us a call.

1-800-444-FARM • www.e-farmcredit.com

A head for finance. A heart for farming.™



Farm Credit Services
OF MID-AMERICA

Real Estate Loans | **Operating Loans** | Equipment Loans | Leases