

Kentucky Agricultural Council: Task Force on the

Minutes of the July 12, 2007 Meeting

The Kentucky Agricultural Council: Task Force on the Future of Agriculture meeting was held on **July 12, 2007 at 10:00 AM EDT** at The Center for Rural Development in Somerset, KY. Dr. Tony Brannon, chair, called the meeting to order.

Members Present

Rick Alexander, Commodity Growers Cooperative; Todd Barlow, Kentucky Corn Growers Association; Robert Bauer, Kentucky Forest Industries Association; Ray Bowman, Kentucky Goat Producers Association; Dr. Tony Brannon, Kentucky Agricultural Council; Leland Brown, USDA NASS Kentucky Field Office; Kaycie Len Carter, Community Farm Alliance; Gene Clabes, Kentucky Equine Education Project; Steve Coleman, Division of Conservation; Nancy Cox, University of Kentucky College of Agriculture; Marshall Coyle, Kentucky Farm Bureau Federation; Kip Ellington, Jackson Purchase ACA; Brent Frazier, PACE Board; Sharon Furches, Kentucky Women in Agriculture; Elmer Gray, Western Kentucky University Department of Agriculture; Jerry Greer, Kentucky Association of Conservation Districts; Tod Griffin, AgriBusiness Association of Kentucky; Ginny Grulke, Kentucky Horse Council; Jeff Hall, Farm Service Agency; Mark Haney, Kentucky Farm Bureau Federation; David Henderman, Kentucky Woodland Owners Association; Tim Hughes, Kentucky Agricultural Finance Corporation; Dwayne Ingram, Kentucky Horticultural Council; Charlie Ison, Community Farm Alliance; Wesley Judd, Kentucky Alternative Livestock Association; Mike Judge, Kentucky Department of Agriculture; Lonnie Lawson, The Center for Rural Development; Curt Lucas, Kentucky Association FFA; Dave Maples, Kentucky Cattlemen's Association; Kathy Meyer, Kentucky Sheep & Wool Producers Association; Melissa Miller, Kentucky Poultry Federation; Harvey Mitchell, The Center for Rural Development; Robert Monk, Farm Credit Services of Mid-America, ACA; Sam Moore, Kentucky Agricultural Development Board; Dr. Wade Northington, Murray State University Breathitt Diagnostic Lab; Lou Ortega, Kentucky Alternative Livestock Association; Mike Ovesen, Kentucky Pork Producers Association; Don Pemberton, Kentucky Cattlemen's Association; J. Mike Phillips, Morehead State University Department of Agriculture; Deborah Reed, Murray State University Breathitt Diagnostic Lab; Keith Rogers, Governor's Office of Agricultural Policy; Todd Ryan, Kentucky Nursery & Landscape Association; Jim Sidebottom, Kentucky Dairy Development Council; Dr. Scott Smith, University of Kentucky College of Agriculture; Deborah Spike-Pierce, Kentucky Veterinary Medical Association; Will Southerland, Kentucky Horticulture Council; Roger Thomas, Kentucky Dairy Development Association; Ray Tucker, Commodity Growers Association; Jamie Vincent, Kentucky Soybean Association Dean Wallace, Council for Burley Tobacco; Eddie Warren, Burley Tobacco Growers Cooperative; Dr. James Weber, Kentucky Veterinary Medical Association; Matthew Whitaker, Kentucky Association FFA;

Others Present

Dr. Steve Isaacs, University of Kentucky College of Agriculture; Dr. Will Snell, University of Kentucky College of Agriculture; Laura Powers, University of Kentucky College of Agriculture; Lowell Atchley, Legislative Research Commission; Biff Baker, Legislative

Research Commission; Micah Thomas, Kentucky Department of Agriculture; Hobbs, Murray State University; Christi Marksby, Governor's Office of Agricultural Policy; Rose Bradshaw, Governor's Office of Agricultural Policy; John Calitri, CVC Inc.; Susan Carson Lambert

Welcome

Dr. Tony Brannon welcomed the group to the second meeting of the Task Force on the Future of Agriculture.

Introductions

Dr. Brannon asked for introductions from the representatives of the Task Force. After introductions were made, Dr. Brannon stated that 47 organizations were involved in the Task Force to date.

Remarks

Dr. Brannon opened the meeting by stating that the Task Force was glad to be in Somerset and thanked The Center for Rural Development for letting the group use their facility.

Dr. Brannon introduced Harvey Mitchell with The Center. Mr. Mitchell said he was honored for the Task Force to be there. Mr. Mitchell also stated that not many people were aware of the activities that go on at The Center. It is a non-profit center based on entrepreneurship and leadership for the south central part of the state. There are affiliates located at The Center such as Southern Kentucky Area Development District, Southeast Kentucky Tourism, treatment education programs and many others.

Staff Working Group

Dr. Brannon recognized the Staff Working Group and thanked them for their work.

- Brief Review of "Where We Came from and Where We Are"

Dr. Brannon called on Dr. Will Snell to give brief remarks on the "**The Changing Kentucky Agricultural Economy**" and "**Overview of Government Farm Payments**". Dr. Snell gave a summary of his presentation from the Governor's Summit on Agriculture. He stated that the basic message of the presentation from Summit is on the first line of document. Dr. Snell also said that the Agricultural Development Board has been very involved in establishing these records along with the markets. Dr. Snell said that producers need to look at net farm income because that is what pays the bills. The 2006 outlook will show a decline because of tobacco payments that has already been distributed.

Dr. Snell stated that the livestock industry has increased considerably in the past several years and producers will be more dependent in future years on livestock. Horses and poultry are the top enterprises in the state with almost 50% of the revenue, but they have not received from the farm bill legislation and the Agricultural Development Board.

Tobacco will be able to sustain about 10% of the market in the future. There have been considerable diversification efforts in the state and it will take time for these efforts to develop. Dr. Snell stated that income growth has not been distributed across the state

and that there are changing agricultural economies from east to west. According to the right chart on the document, it is eye opening.

Dr. Snell wanted the group to realize that agriculture is an important role of our economy. The industry is becoming smaller and smaller. He said to think of your county and how many sectors in your county impact the county as much as agriculture. What other industry is as important? Agriculture is more than what we sell on the farm. Dr. Snell said to look at value-added, agribusiness and the other sectors of the industry. The major job is to educate the public in terms of dollar and non-dollar importance of agriculture. There is a tremendous role in educating the public, our legislators and our neighbors. Dr. Snell said to look at our rural communities as well as the industry because they have some of the same common goals. How do we improve net farm income and the quality of life in rural Kentucky? (Handouts on file)

The next presentation was from Jeff Hall on “**Ag Project 2000**”. Mr. Hall started by summarizing events that have happened with Ag 2000. In February 1992, Ag Project 2000 began to evolve when commodity groups were asked to give ideas of what they needed and how to tackle them. Then the University of Kentucky, the Kentucky Department of Agriculture, the Kentucky Agricultural Resource Development Authority (KARDA) and Kentucky Farm Bureau as facilitators brought everyone to the table. The idea was to increase agricultural production in Kentucky. Some of the goals were established and the main goal was to increase cash farm receipts to \$5 billion. An equally important component was to increase production on the farm and to add value-added to the farm. There were seven primary categories within Ag Project 2000: 1. achieving production potential, 2. sustain environment and natural resources, get this list

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In 1994, the Cabinet for Economic Development was working on a strategic plan at the time and they realized that agriculture was very important. Ag 2000 made other groups realize that the industry was more important than they realized as well.

In 1995, the Ag Project 2000 group started working with KARDA during the re-election to help get attention for agriculture. In 1997, the Commission on Family Farms was created and worked on certain initiatives such as entrepreneurship. In 1997 or 1998, they worked on beef initiative for a processing facility. In 1999, they started working on serious initiative for funding during the tobacco buyout period. This is when the Unified Plan for Agriculture was developed.

All of these things over the years have helped and prepared us to this point. Ag Project 2000 helped develop the Agricultural Development Board and it has a 10 year history of working together to present a plan. Two major things accomplished with Ag Project 2000 were that agriculture became accomplished as a group/industry and everyone was talking the same story and goals. Ag Project 2000 showed the potential of the agriculture industry and the visibility of agriculture. It made it harder for legislators to say no and it gave more visibility for the industry outside of agriculture and legislative body. The one thing to focus on is not a goal, but a growth strategy. Plans always have to be dynamic and able to reach a common ground.

Roger Thomas gave a presentation on “**House Bill 611**”. Mr. Thomas reaffirmed what Jeff Hall and Will Snell said in their presentations. He stated that HB 611 could not have happened without Ag Project 2000 and the Unified Plan for Agriculture. Mr. Thomas said there is still work to do in explaining the value and importance of what we have with HB 611. There is a lack of understanding, appreciation for what we have and what we have accomplished with this legislation. HB 611 has been nominated in the top 50 best pieces of legislation in the country. There are many people who are responsible for this piece of legislation because they knew there was a need. There was an advantage leading to this because of the high profile of the Master Settlement Agreement. Folks knew there was going to be a reduction in income because of a decline in tobacco revenue and it would affect Kentucky agriculture.

The need today is that buyout dollars will end. Producers need to be aware of the budget pressures and these pressures will not improve on a federal or state level. Everyone knows what the needs were in 2000 and they know what the needs are today. KARDA had a tremendous role in the HB 611 discussions and this plan started with an executive branch idea.

There was very little discussion about rural communities in HB 611. The Task Force has a chance to do that with this plan. It was not until HB 611 got into legislation that there was mention of rural issues. There are many similarities between HB 611 and what this group is trying to accomplish. The results were dependent on the legislative support, commodity groups, the agriculture community and that the legislative intent was followed with support from community. Do not let the final document be the final word. This should be a document with an annual revision.

- Overview of Questionnaire

Keith Rogers gave an overview of the questionnaire. He stated that 41 questionnaires were turned in and a few more were turned in after the deadline. These were not compiled in the summary. The questionnaires were summarized and documents were mailed to the Task Force.

Mr. Rogers turned the floor over to Tod Griffin, co-chair of the Staff Working Group. Mr. Griffin personally thanked Daniel Green for serving as co-chair of the group. Mr. Griffin stated that the Staff Working Group met on July 2nd in Frankfort and realized that there were six major areas identified from the questionnaires. They were:

1. Education
2. Rural Communities
3. Labor
4. Alternative Fuels/Energy
5. Healthcare
6. Agricultural Production and Marketing

Mr. Griffin explained that group would divide into six major round tables and there will be facilitators and recorders at each table. Discussions would take place on the topics listed above and the groups would rotate for the remainder of the morning and afternoon to all of the topics. At each table, the group will come up with strategies and action plans for the topics. Mr. Griffin gave an example to the group.

Minutes

Dr. Tony Brannon presented the minutes of the May 2, 2007 meeting to the Task Force before beginning the roundtable discussions.

Tod Griffin (AgriBusiness Association of Kentucky) moved to accept the minutes of the May 2, 2007 meeting of the Task Force on the Future of Agriculture; Marshall Coyle (Kentucky Farm Bureau) seconded the motion. The motion passed without dissent.

The group broke into roundtable discussions on the six topics.

Summary

Dr. Tony Brannon commented that he was truly amazed that the group had harnessed the input, support and excitement that put into the process. Forty groups represented at the meeting and eighty were in attendance. He thanked everyone for their input and great ideas. The Staff Working Group will take what is said, the ideas and will put a structure to it. The process is still developing and ideas are still being solicited and Dr. Brannon asked for the group's pledge to help.

Closing Remarks

Dr. Brannon introduced Steve Coleman as the new treasurer of the Kentucky Agricultural Council. He thanked the Kentucky Agricultural Development Board for the \$25,000 grant to the Kentucky Agricultural Council and he also thanked the Kentucky Department of Agriculture for the \$2,000 grant. Jeff Hall will be serving as the public sector representative on the Executive Committee replacing Steve Coleman.

More development of the plan will take place at the next meeting in Murray. The next two meetings are crucial in the development stages of the plan. The goal is to have a document ready by August meeting at the State Fair.

For homework, agriculture production and marketing was the largest topic. Please look over that topic and if you have additions to the action plans, please submit those to Keith Rogers by July 20, 2007.

The next meeting of the Task Force will be held in Murray at the Regional Special Events Center at Murray State University on May 25, 2007.

The meeting adjourned at 3:00 PM EDT.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY:
