

Kentucky Agricultural Council

Minutes of the June 12, 2008 Meeting

The Kentucky Agricultural Council meeting was held on **June 12, 2008** at 1:30 PM EDT at the Galt House East in conjunction with the State FFA Convention in Louisville, KY. Dr. Tony Brannon, chair, called the meeting to order.

Members Present

Roger Quarles, Burley Tobacco Growers Cooperative; Kaycie Len Carter, Community Farm Alliance; Don Van Erden, Community Farm Alliance; Bruce Pratt, Eastern Kentucky University Department of Agriculture; Robert Monk, Farm Credit Services of Mid-America; Keith Rogers, Friend of 4-H Foundation; Michael Judge, Governor's Office of Agricultural Policy; Sam Moore, Kentucky Agricultural Development Board; Billy Glen Turpin, Kentucky Cattlemen's Association; Sam Lawson, Kentucky Chamber of Commerce; Maury Cox, Kentucky Dairy Development Council; Steve Coleman, Kentucky Association of Conservation District; David Beck, Kentucky Farm Bureau; Jeffrey Hall, Farm Service Agency; Bob Bauer, Kentucky Forest Industries Association, Ginny Grulke, Kentucky Horse Council; Todd Ryan, Kentucky Nursery and Landscape Association; Kathy Meyer, Kentucky Sheep and Wool Producers Association; Aaron Reding, Kentucky Soybean Association; Jaime Vincent, Kentucky Soybean Association; Jenny Inman, Kentucky Women in Agriculture; Mike Phillips, Morehead State University Department of Agriculture; Wade Northington, Murray State University Breathitt Diagnostic Laboratory; Debbie Reed, Murray State University Breathitt Diagnostic Laboratory; Tony Brannon, Murray State University School of Agriculture; Don Petit, Natural Resource and Conservation Service; Drew Graham, University Of Kentucky College of Agriculture; Shawn Clark, USDA NASS Kentucky Field Office; Todd Willian; Western Kentucky University Department of Agriculture

Others Present

Christi Marksbury, Harvey Mitchell, Dawn Riley, Will Snell ,and Steven Spalding

Welcome

Dr. Tony Brannon welcomed the group to the quarterly meeting and first summer of the Kentucky Agricultural Council.

Approve Minutes of the February 14, 2008 Meeting

Dr. Tony Brannon presented the minutes of the February 14, 2008 meeting.

Steve Coleman (Kentucky Association of Conservation Districts) moved to accept the minutes of the July 12, 2007 meeting of the Kentucky Agricultural Council; Robert Monk (Farm Credit Services of Mid-America.) seconded the motion. The motion passed without dissent.

Treasurer's Report

Steve Coleman presented the Treasurer's Report for the Kentucky Agricultural Council. The balance as of June 12, 2008 was \$1,393.05.

The motion was made by Aaron Reding (Kentucky Soybean Association) to accept the treasurer's report; Michael Judge (Governor's Office of Agricultural Policy) seconded the motion. The motion passed without dissent.

Kentucky Agricultural Council Business

Nominating Committee Report

Tony Brannon reported that Tod Griffin was asked to be the chair of the Nominating Committee but Mr. Griffin was unable to attend the meeting due to a conference. Will Snell gave the report on behalf of Tod Griffin. The nominating committee consists of Will Snell, Tod Griffin, and Jeffrey Hall. Keith Rogers was nominated as serve as chair-elect to fill a vacancy spot. Mr. Rogers will replace Tony Brannon as chair in January of 2009.

A motion was made by Sam Moore (Kentucky Agricultural Development Board) to accept the nominating committee report; Steve Coleman (Kentucky Association of Conservation Districts) seconded the motion. The motion passed without dissent.

Dr. Brannon also announced that the Friends of 4-H Foundation would be new member of the Kentucky Agricultural Council.

Kentucky Agricultural Council Committee Structure

Dr. Brannon stated that the Staff Working Group took the list of organizations to comprise the committee structure. Each organization was asked to fill out a document to state which committee they wanted to be involved with. Every group has representation on at least one of the six committees. The staff working group proposed to adopt the list by organization.

Changes were made by the group. The following were changes to the committees:

Ag Production Committee – add Kentucky Goat Producers Association and Kentucky Dairy Development

Agri-Energy Committee – delete the Center for Rural Development

Public Awareness Committee – add Kentucky Department of Agriculture, Kentucky Cattlemen's Association, and Kentucky Association of Conservation Districts

Rural Communities Committee – add Center for Rural Development

ADF & Supporting Agencies Committee – add Governor's Office of Agricultural Policy

The motion was made by Wade Northington (Murray State University Breathitt Diagnostic Laboratory) to accept the committee structure assigned by the Staff Working Group with the above mentioned changes; Will Snell (University of Kentucky College of Agriculture) seconded the motion. The motion passed without dissent.

Dues Committee Report

Jeffrey Hall gave the report on behalf of the dues committee. Mr. Hall reported that the committee consisted of Jeffrey Hall, Todd Barlow and Harvey Mitchell. Mr. Hall stated that the committee felt it was best to not make a recommendation at this time on the dues structure. The Kentucky Agricultural Council currently has an application before the Kentucky Agricultural Development Board that incorporates a personnel management position. If this application is funded, this position will work with committee members to bring a recommendation to the Kentucky Agricultural Council on this matter.

Kentucky Agricultural Development Board Grant

The Kentucky Agricultural Council is working with the staff of the Governor's Office of Agricultural Policy to wrap up the grant received last summer. The grant funds were all used and a final report has been filed with the compliance staff at the Governor's Office of Agricultural Policy. Dr. Brannon stated that a new application was submitted to the Kentucky Agricultural Development Board in April based on the Council's actions at the last meeting. Staff at the Governor's Office of Agricultural Policy had questions about the application. The Executive Committee met on May 28, 2008 and addressed the staff questions.

At this time, the application was reviewed with Kentucky Agricultural Council. The application consisted of a two year grant including interim management and professional management support and a feasibility study. The application requested \$200,000 for a two year period. The second year of funding will be contingent on the Council raising \$25,000 to receive the payment. A quarter to quarter timeline was submitted with the application to show focus on strategic plan development.

A motion was made by Robert Monk (Farm Credit Services of Mid-America) for the Kentucky Agricultural Council to officially endorse the application to Kentucky Agricultural Development Board; Ginny Grulke (Kentucky Horse Council) seconded the motion. The motion passed without dissent.

Dr. Brannon thanked the Executive Committee and the Staff Working Group for their work in developing this application.

Updates from Organizations

Kentucky Department of Agriculture

Dr. Brannon stated there was no one in attendance for the Kentucky Department of Agriculture because of **Southern Association of S Departments of Agriculture** meeting. The Kentucky Department of Agriculture was hosting the event in Lexington.

Governor's Office of Agricultural Policy

Michael Judge reported that Roger Thomas, Executive Director, sent his regrets. Mr. Thomas was attending the **Southern Association of S Departments of Agriculture** meeting in Lexington as well. Mr. Judge stated the Kentucky Agricultural Relief Effort (K.A.R.E) county application deadline is July 1, 2008. The Governor's Office of Agricultural Policy scheduled eight regional administrator workshops across the state. Six of the eight workshops have been held to date and they have been great. This is a good opportunity for counties to come and learn about changes and updates in the programs. Two new staff people have been hired since the last Kentucky Agricultural Council Meeting, Sandy Gardner and Michael Judge. Two people have left the office, Jennifer Marsh and Nick Whobrey.

Farm Service Agency

Jeffrey Hall reported on the Farm Bill. Some updates included crop loan rates. The first steps on DCP program ended in September of 2007 and will begin again in June of 2008. This program has to be completed by September 30, 2008. Crop reporting has been an issue with water problems in the Midwest and late crop plantings. The crop reporting deadline is Aug 15, 2008. This will affect Kentucky a base of less than 10 acres will not get DCP payments. The next crop year will have payment limitations and

the payments will be to the individuals, not its entities. Adjusted gross income has been changed and is directed towards high income outside of agriculture. ACRE is a new provision to allow farmers to forgo cyclical payment and the payments will be based on the state average. Four new programs in the Farm Bill are biomass energy program, farm storage facility loans (broadened to include hay structures), permanent disaster program (rather than ad hoc policies there will be permanent legislation) and the conservation program will include forage as well as crops.

Kentucky Association of Conservation Districts

Steve Coleman reported that Mike Hubbs accepted a position in Washington DC as the National Ecological Coordinator. A new acting state conservationist in place and his name is Don Petit.

University of Kentucky College of Agriculture

Drew Graham reported that the diagnostic livestock center will be able to move forward with Kentucky Agricultural Development funds appropriated from General Assembly to have a groundbreaking in September at Roundup. Due to budget cuts, there is a hiring freeze. There have been 50 to 60 positions cut and there are no real plans to replace these positions. The state appropriation decrease to the University has been devastating, but advancement in the college has increased. There are 2,100 agriculture majors in the college. The equine programs have drastically increased with students from all over the world. The College of Agriculture ranked in top 10 for research.

Natural Resource Conservation Service

Don Petit reported that he is the acting director for the Natural Resource and Conservation Service in Kentucky and that he started on Tuesday of that week. Mr. Petit stated he will be in Kentucky until mid July. They are looking for a permanent replacement. Mr. Petit discussed the new farm bill and stated that information is beginning to become available on conservation programs. There will be increased funding and most programs will stay in tact. There will be a new program in conservation stewardship program and it will basically be the old program with a new twist. Each state will receive an allotment instead of all producers across country applying against each other. Some other programs include new wildlife habitat incentive money and a request for additional EQUIP money. Details are being worked out for a 90 day window for rule re-writing.

USDA NASS Field Office

Shawn Clark was filling in for Leland Brown, who was at the UK field day in Lexington. Mr. Clark is a new employee with the department. He came from Washington DC but is originally from Kentucky. Mr. Clark discussed the June agriculture survey. He stated that several thousand producers were contacted for information. This was done by phone and personal interviews and the report will be released on June 30, 2008. NASS is planning a July cow and sheep survey, which has been ongoing for several weeks, and labor survey in late July as well. The weekly report has been a crop weather report and this information can be obtained from the county extension agents, Farm Credit Services, and others to get an idea of what the crops are doing from week to week. This information is to help between the monthly crop reports. The agriculture census is ongoing. Surveys were mailed out last December and the next step is to move to the analysis phase in near future. (Refer to handout on file)

Kentucky Dairy Development Council

This was the first time in attendance for Maury Cox since the announcement of Roger Thomas as the Executive Director of the Governor's Office of Agricultural Policy. Mr. Cox was recently named as the Executive Director of the Kentucky Dairy Development Council. He stated there is a lot going on in dairy industry in Kentucky. The Kentucky Dairy Development Council's major program is the MILK program. This program focuses on more production, quality, and recordkeeping. There are 100 producers participating in the program and \$400,000 in premiums have been awarded to producers. There was proposed legislation for a milk promotion board. There was legislative support from the General Assembly. Mr. Cox announced the appointment of Dr. Jeffrey Bewley at the University of Kentucky as an extension specialist. Mr. Cox stated that Dr. Bewley has hit the ground running and is working with Dr. Jack McAllister to help producers. Mr. Cox also reminded the group that June is dairy month in Kentucky. (Refer to handout on file)

Division of Conservation

Steve Coleman reported that there was an executive order to place the Division of Conservation in the Energy and Environment Cabinet. Dr. Leonard Peters is the new director of this cabinet. The Kentucky Association of Conservation Districts will be hosting their annual meeting in July. At the last Kentucky Agricultural Council meeting, Mr. Coleman stated that he discussed sign ups for impact to land owners for drought. The state had an outstanding signup period and \$13 million in state money was allocated for cost share assistance. Mr. Coleman stated that he was happy to have Don Petit serving as the acting state conservationist in interim and looking forward to working with the new person.

Murray State University Breathitt Diagnostic Laboratory

Dr. Wade Northington stated the case load for first six months of the year was even with last year's case load. The indication from the poultry industry is that doubling may occur for the coming year. The lab is facing severe budget cuts. There has been a seven to nine percent increase in services and the lab is hoping to get funding restored to the facility.

Murray State University School of Agriculture

Dr. Tony Brannon stated he was proud that projects from the strategic plan were approved in the state budget. Capital construction for the Breathitt Diagnostic Laboratory was not approved in the budget. There was loss of federal funding for the lab and pass through funding from the Kentucky Department of Agriculture. Significant cuts have been made to the School of Agriculture and the Murray State University Exposition Center. The university does not anticipate the outcome to be as bad as they initially thought. On another note, Dr. Brannon added that the Farm Bill has an initiative to support regional universities.

Morehead State University Department of Agriculture

Dr. Mike Phillips gave the report on behalf of the Morehead State University Department of Agriculture. He stated that the equine health center was dedicated the previous week. Dr. Phillips reported that the Morehead Livestock Expo East would be held Monday and Tuesday of the following week. Numbers for the event were down to 269 participants. Numbers for the livestock expositions have been down across the state. Enrollment in the show has increased by 70%, but most exhibitors are from Ohio. The department went through the AVMA accreditation and it went well. A thorough academic audit from

university was requested at the university. The agriculture department looked good and the administration is looking to hire another veterinary science position to the department.

Kentucky Nursery and Landscape Association

Mr. Todd Ryan gave a brief report on the Kentucky Nursery and Landscape Association. Mr. Ryan stated that the association's summer outing would be held at Edel in July. The Mid State trade show is planned for January of 2009. Mr. Ryan told the group that the landscape and nursery industry has been very concerned with cicada infestation because affects production.

Kentucky Women in Agriculture

Mrs. Jenny Inman reported the first Kentucky Women in Agriculture scholarship had been awarded to Janet Meyer to pursue a degree in Plant and Soil Science at the University of Kentucky College of Agriculture. Mrs. Inman also stated that the organization had been working on their annual conference planning for fall. The conference will be held in Lexington. (Refer to handout on file)

Kentucky Horse Council

Mrs. Ginny Grulke stated the horse industry has had a rough six months. The Kentucky population has had a major problem with horse starvation. The Kentucky Horse Council has jumped in and is offering a tax deductible fund for hay purchases. The people most critical with the changing situation have a small animal background and have tried to solve problems internally. If the industry doesn't address as an issue, the effects will go on down line. The horse slaughter issue has compounded the problem. The Kentucky Horse Council was also awarded some grants and scholarships for students.

Kentucky Sheep and Goat Association

Mr. Ray Bowman joined the American Sheep Association tour in Washington DC. The tour addressed the Farm Bill and the reinstatement for the industry. The Kentucky Sheep and Goat Association is engaged in the small ruminant industry and kicked off their initiative with a field day, which was held a few weeks ago. The organization is also engaged in US APHIS for needs assessment to identify their critical needs. The Kentucky Association has been working with all goat associations to create an American Goat Association. Kentucky is taking a high profile role in this effort. (Refer to handout on file)

Kentucky Agricultural Development Board

Mr. Sam Moore reported that the Kentucky Agricultural Development Board took a large hit with the budget deduction. Most agricultural projects were funded from the Kentucky Agricultural Fund. Mr. Moore stated that if had not been for these funds, the industry would not have seen these initiatives funded during the budget session. He reminded everyone that the industry as a whole needs to be on their toes, talk to legislators and ask them to not harm the program that has affected Kentucky agriculture the most, not just in monetary value, but in thought process of producers.

Burley Tobacco Growers Cooperative

Mr. Roger Quarles stated that the world tobacco market is changing and it appears that prices are where Kentucky is equally competitive. Most of the tobacco production is going overseas and the tobacco companies are planning to triple purchases for this year. A big project that the Burley Tobacco Growers Cooperative is putting together is a

crop price insurance proposal, in which they will be the administrator of the program. The organization is planning to have this initiative ready for the 2009 crop. The Burley Tobacco Growers Cooperative is also proposing a check-off program for all tobacco producers, an infrastructure program, and a funded labor effort through the Commodity Growers Cooperative. In two years, this program will have increased to be largest program for H2A labor. (Refer to handout on file)

Western Kentucky University Department of Agriculture

Dr. Todd Willian reported that enrollment has increased in the department. This past year was one of larger freshman classes, with an increase in animal science, pre-vet and horticulture. Western Kentucky University received the budget cuts as well and one faculty person will be retiring in December. This helps to elevate the pressure. Some new projects are underway, such as biodiesel production. The students in the department did the work for this project. Their annual leadership camp was successful and the FFA field day held in April was one of largest ever. 1,400 students were in attendance for the field day. On the farm side, they are composting, using a methane digester and plans are to include an orchard on the farm in 2009. The farm has had a good growing season thus far and the spring hay crop excellent. The hay crop was better this year than last year.

Farm Credit Services of Mid-America

Mr. Robert Monk highlighted that in the last several years, customers have done well and Farm Credit is giving \$40,000 to the Kentucky FFA Foundation, Inc. for camp for a computer lab. Farm Credit is also giving more in scholarship money. Mr. Monk stated that loan demand is high and an unbelievable amount is coming from out of state. He sated that most of farmers are glad they are getting more for their products but realize they have more inputs. Nationwide, Farm Credit is implementing a national rural program. Farm Credit Services in Washington DC has broadened the scope and letting loan money go to rural communities to fund specific projects outside of agriculture. Kentucky as opened offices in Russellville and Bardstown and they are planning to open one or two more office in the future. Mr. Monk stated that the company has been in growth mode.

Community Farm Alliance

Mr. Don Van Erden reported that he is currently the acting director while the current director is on leave. Ms. Kaycie Len Carter informed the group that the Community Farm Alliance worked on two pieces of legislation during the last budget session. The group is working with legislators on eliminating premise identification on Kentucky farms. Ms. Carter stated that the Grasshoppers were funded by the Kentucky Agricultural Development Board and is working on their second year of distribution. In Louisville, four farmers markets opened for business and the Farm to School program in Bath County growing. Three surrounding state parks are buying more produce as a result of the program.

Kentucky Forest Industries Association

Mr. Bob Bauer reported that the organization is working on legislation that pertains to timber trust pass issues. The organization is also involved with a number of certified programs, such as the sustainable forest industry and tree farm programs. Western Kentucky University has a master logger program. Mr. Bauer stated that the Farm Bill has been moderately involved tree farms, forestry, and energy. There is a market for low grade wood to help with management practices.

Kentucky Cattlemen's Association

Mr. Billy Glen Turpin reported that the Kentucky Cattlemen's Association had almost 9,000 members this year. The goal was 9,500 members. There are 40,000 beef producers in Kentucky. The Cattlemen's will have a board meeting at end of month to plan new strategies.

Kentucky Farm Bureau Federation

Mr. David Beck reported that the organization was gearing up for policy development sessions across the state. Kentucky Farm Bureau is concerned with the diagnostic laboratory issue and is working with legislators on this issue. The National FFA Convention site selection committee was in Louisville that morning and had a surprise breakfast for the committee. There were 150 FFA members in attendance the community is optimistic but also realistic about the possibility of the convention moving back to Louisville. Louisville's facilities are second to none. The site selection committee will report back in August and will announce the results in October at the National FFA Convention.

Kentucky Soybean Association

Mr. Aaron Reding stated that the Kentucky Soybean Association is working on an effort to have a strong local support for animal agriculture. They are hosting a "Meet your Neighbor" event on June 23rd in Clinton, KY at Keith and Clint Kimball's farm. (Refer to handout on file)

Friends of 4-H Foundation

Mr. Keith Rogers reported that he was very excited about his new role as the Executive Director of the organization. 4-H Teen Conference wrapped up this week. Mr. Rogers reported that he is looking forward to being back on the Council.

Chamber of Commerce

Mr. Sam Lawson reported that the flooding issues in Iowa are an example of a lot of turmoil that we cannot control. When things are going good, everything is good.

Eastern Kentucky University Department of Agriculture

Dr. Bruce Pratt reported that the university received significant damage last year. The process of replacement has started in the past two weeks. The dairy merger with the University of Kentucky is still in the planning phase, but there is still no funding for the project. The cost will be significantly more than originally thought. The department will be hosting the second annual plant identification contest. It is the only site in state for this event. The department is also getting back into the bee business. They got out of the business about 15 years ago. There is a faculty member in the department who is nationally recognized for his work in beekeeping. This would be a great impact for agriculture in Kentucky. (Refer to handout on file)

Dr. Tony Brannon stated that he was asked to share the strategic plan report at the 3:30 session of the State FFA Convention. He encouraged anyone who may be interested to stay around and enjoy the convention.

Dr. Brannon also reminded the group of the June 27th Kentucky Agricultural Development Board meeting. He encouraged everyone to attend for support of the group's efforts.

The meeting was adjourned at 3:47 PM EDT.