

The Commonwealth Grows



Volume 9, Issue 2
Spring 2009

Did you know...?

- May is Beef Month
- June is Dairy Month
- Over \$280 million in Agricultural Development Funds have been invested
- Over 3,415 projects received Agricultural Development Funds

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Accessibility, Accountability Focus of Changes

Over the last five months, the Kentucky Agricultural Development Board has been considering changes to programs and policies to broaden access to diversification funds and enhance accountability at the state and local level. Between January and March, the ADB and staff have been attending meetings to obtain input and feedback from those impacted by the programs and potential policy changes—farmers, extension, commodity organizations, county councils, and others.

During their March meeting, the board approved a list of policy and program revisions, as well as modifications to the applications



Model Program Forum at Annual Meeting - valuable input provided by participants.

used for funding requests.

"I commend my fellow board members for taking the past several months to thoroughly consider these policy changes," said Gov. Steve Beshear, chair of the ADB. "At this juncture in the agricultural development process, it is critical to evaluate and, if necessary, revise policies and programs to maintain the viability of the Agricultural De-

velopment Fund for the future of Kentucky agriculture."

The most notable changes are related to what have been called the county model cost-share programs, which provide farmers with cost-share funding to allow them to improve and diversify their current production practices.

The county model cost-share programs are now being offered as investment areas under the **County Agricultural Investment Program**. This will offer a more streamlined approach to applying for funds for both the program administrators and the local farmers. Since all programs

(Continued on page 3)

Cullin' the Hogs

What's the only kind of hog that you wouldn't want associated with agriculture? If you guessed an "energy hog", then you'd be right.

To help farmers reduce on-farm energy usage and produce renewable energy sources, the ADB has approved a new investment area to be included in the

County Agricultural Investment Program.

On-farm Energy Efficiency & Production provides assistance to producers for the adoption of a proactive, systematic approach to incorporating energy efficiency into the farm operation, production of biomass crops, or production of alternative energy.

Energy Resources:

Consumer Guide to Energy Efficiency: Farms & Ranches
<http://tinyurl.com/c8lzez>

Energy Star
<http://www.energystar.gov/>

For additional resources, visit the energy program page at agpolicy.ky.gov.



From the Desk of...

Senior Project Analyst



I have been farming all of my life. Growing up, we operated a dairy, raised beef cat-

tle, grew tobacco, corn, and hay. Now, in addition to my job as Senior Project Analyst at the Governor's Office of Agricultural Policy (GOAP), I have a small commercial dairy goat operation as well as a few horses and cattle. This year I decided to try something new.

I wanted to grow more of my own food. After much research, I determined the best way for me was a method called square foot gardening. The premise is the gardener builds raised beds and grids them off into square feet. The squares are planted depending upon the space requirements of individual plants. Some smaller plants such as radishes can be planted 16 to a square and larger plants such as tomatoes will have their own individual squares.

This method of gardening has

its strengths such as less space for weeds, more plants per area, no tillage of existing soil, and consistent soil conditions because a prepared soil mix is used. There are some challenges as well, there is the expense associated with the construction of the beds and purchase of the soil mix.

With any new venture, there are always advantages and disadvantages. As with the new changes within our office including the new County Agricultural Investment Program (C.A.I.P.), there will be good and bad. With square foot gardening, I am removing some of the inconsistencies and allowing the desirable plants, even the smaller ones, to thrive. GOAP is working to be more consistent and provide greater access to funding for Kentucky producers.

With the square foot garden, a major benefit is that there will be fewer weeds. At GOAP, we feel the new changes will increase the accountability of all involved and allow the funds to be utilized in a manner that is more consistent with the

intent of the legislation. Just as I ask for productivity within each square of the garden, GOAP has to insure that there is responsibility among all involved with these funds.

At the end of this growing season, I hope that more of the food that I eat will have been produced on my farm. At the end of 2009, GOAP is hopeful that the new changes will have allowed more Kentucky farmers access to the funds in an even more responsible way.

George Washington said, "I know of no pursuit in which more and real important services can be rendered to any country than by improving its agriculture." I feel that these changes are a step in the right direction to continuous improvement of the Commonwealth's agriculture.

If you have any questions regarding these changes, feel free to contact your project analyst or anyone at GOAP. We'd love to hear from you and talk about your garden too.

- Todd Harp

Have an Ag Development Fund **Success Story** to Share?
Send your story (& pictures too) to GOVKYAGPOLICY@KY.GOV



"I know of no pursuit in which more and real important services can be rendered to any country than by improving its agriculture."

- George Washington



Photo: Staff

Gov. Steve Beshear supports Kentucky agriculture and has declared May Beef Month in Kentucky.

Governor Proclaims May Beef Month

Governor Steve Beshear has declared May Beef Month in Kentucky.

At Taylor Cattle Farm in Crestwood, Gov. Beshear signed a proclamation urging all Kentuckians to support the beef cattle industry.

Kentucky is the largest beef

cow state east of the Mississippi River and beef cattle is one of the state's largest industries. There are 2.4 million head of cattle on Kentucky farms with cash receipts of cattle and calves of over \$605 million, ranking third among Kentucky's commodities (NASS, 2007).

There are over 40,000 beef producers in the Commonwealth who's contribution to Kentucky's economy is vital.

For more about Beef Month or to find recipes to help you and your family celebrate Beef Month, visit the Kentucky Beef Council at www.kybeef.com.

ADB Update

Dead Animal Removal

In 2008 The Food and Drug Administration passed a regulation that prohibits the use of certain cattle-derived materials from being used in any animal feed, which includes the brain and spinal cord of cattle 30-months and older. That regulation took effect April 27, 2009.

To help address the short term impacts of this regulation, the Agricultural Development Board has approved a program to provide assistance to counties with their dead animal removal plans.

The **Deceased Farm Animal Disposal Assistance** Program is an interim measure will cover expenditures in-

curred between July 1, 2009 and June 30, 2010 related to an acceptable disposal program.

This program was developed in partnership with Conservation and local, state stakeholders.

Guidelines are available at agpolicy.ky.gov or call the Governor's Office of Agricultural Policy at (502) 564-4627. ☞

Kentucky Agricultural Development Board

Chair, Steven L. Beshear
Governor

Vice chair, Richie Farmer
Agriculture Commissioner

Dr. M. Scott Smith
Director, Cooperative Extension Service

Sec. Larry Hayes
Economic Development

Dr. Mary Evans Sias
President, KSU

Sam Moore
Kentucky Farm Bureau

Sam Lawson
Kentucky Chamber of Commerce

Vickie Yates Brown
Attorney w/ag. experience

Rodney Dick
Farmer

Pat Henderson
Farmer

Wayne Hunt
Farmer

Jim Mahan
Farmer

Wayne Mattingly
Banker

Troy Rankin
Farmer

Jim Sidebottom
Farmer

Application Review Changes

A schedule for referral, review, and action was established by the Board in December for 2009. Project applications will no longer be approved on a monthly basis.

This new schedule will allow the board time to review proposals and time for staff to gather any necessary information requested by the board before an application is eligible for action.

For example, April 10 was the most recent application deadline.

Project applications received by this date were referred at the April 17 meeting for review at the next meeting (May 15). During this review meeting, the board will ask questions and indicate any additional documentation that staff will need to obtain and if the applicant will need to seek additional county contributions for the project, depending on the scope of the project.

If the application is complete and all questions of the board have

been answered or the project is deemed outside the scope of the board's mission, then the application may be eligible for action (approval/denial) at the subsequent meeting (June 19).

If an application has potential, but there are still questions, then it may be pended for further review or until those questions are answered. If pended, then the project would be eligible for action at the next board action meeting. ☞

Change

(Continued from page 1)

will be offered in counties that adopt this program, there will be broader access for all farmers, regardless of their main farm enterprise.

In addition to the current investment areas, C.A.I.P. includes a new investment area, "On-farm Energy Efficiency & Production". *(See the bottom article on front*

page for more information.)

The board also modified its policy on regional projects where the applicants may be required to garner significant county fund contributions to their projects. With state dollars dwindling, this will help spread state funds further across the Commonwealth, and encourage applicants to get buy-in from those counties they

expect to impact.

Letters and a listing of the changes have been sent directly to the chairs of each County Agricultural Development Council, the cooperative extension service, and county program administrators.

Full guidelines for programs and revised applications are available on-line at agpolicy.ky.gov. ☞



Gov. Beshear poses for a photo with staff of Taylor Cattle Farm and Texas Roadhouse, during a Beef Month event.

For the County Councils



Staff Photo

Imel's Greenhouse in Greenup Co.. Is run by Kenneth Imel who is a member of the Greenup County Council.

County Council Makeup

Appointed:

- Farm Service Agency (2)
- Conservation Dist. (2)
- Extension Council (2)

Elected by Above Six:

- Young Farmer (2)

Current council member terms run from July 1, 2008 to June 30, 2010.

On March 20, Gov. Steve Beshear signed Senate Bill 83 into law. This legislation enhances the make-up of the County Agricultural Development Councils and provides for term rotations.

These changes will provide continuity in leadership and encourage new ideas and involvement.

"County Agricultural Development Councils provide a tool for local input on the distribution of ag development funds," said Sen. David Givens, sponsor of SB 83 and chairman of the Senate Agriculture Committee. "I am honored to have played a role in the process of the evolution of this vital mechanism."

Starting in 2010, county council members will be limited to two consecutive two-year terms. Those individuals rotat-

ing off the county council after two, two-year terms will be eligible to serve again after two-years off the county council. Also, each representative of an appointing authority, such as the Farm Service Agency (FSA), county conservation district or extension council, will serve staggered terms.

"These changes in terms of service will provide continuity, as well as the opportunity for new, fresh ideas," said Roger Thomas, executive director of the Governor's Office of Agricultural Policy. "This is an opportunity for more individuals to become leaders and help shape agriculture in their counties."

The county councils will add an at-large member for a total of nine members: two farmers selected by the FSA county committee; two members

selected by the county conservation district; two members selected by the county extension council; and three at-large members. The three at-large members are selected by the six appointed members, and at least two of the three must be young farmers between the ages of 21 and 40. Additionally, at least one of the nine members shall represent a gender or race not represented at the time of selection.

"The original make-up of the committee has served agriculture well, and this change continues to move that process forward," said Rep. Tom McKee, chair of the House Committee on Agriculture and Small Business. ☪



Members of the Shelby Co. Council

FAQ

Q. When will GOAP decide who the administrator is for my county?

A. The administrator for a county will be decided by the County Agricultural Development Council.

Q. If we have to offer all programs, then what's the Council here for?

A. The Kentucky Revised Statutes charge county councils with the task of evaluating the needs of the local agricultural economy and devising a plan to address those needs. As needs and pri-

orities of a county's agriculture economy change, the county council is responsible for amending the county plan to reflect the new priorities.

It also states that the council reviews all requests for county agricultural development funds submitted to them and prioritize these requests based on their county plans, submitting their recommendations to the state Agricultural Development Board for final approval.

The requests the council may receive, for county agricultural development funds, include applications for any of the five other programs available beyond C.A.I.P. or a general project application.

Q. Can counties take individual cost-share items out of investment areas?

A. No. The guidelines can be strengthened, but items may not be removed. Everything must be made available to producers.



Staff Photo

Spring is in bloom at Gagel's Truck Farm in Jefferson Co.

Council Check List

To assist County Councils in determining what action items need to be done, related to the 2009 policy changes, the project analysts have developed a check list for councils to use as a guide.

- ✓ Decide amount of funds to be used for projects, programs, and/or C.A.I.P.
Counties are encouraged to seek unique projects that fit within the county's comprehensive plan. Multi-county projects will be given more consideration for state funds.

- ✓ For C.A.I.P., choose "primary" and "secondary" focus investment areas.
While all investment areas must be made available, county councils may designate investment areas as "primary" or "secondary". Primary focus areas will be eligible for the maximum annual limit in the county (up to \$7,500); secondary focus areas will have a lesser annual maximum (no less than 50% of the primary area).

- ✓ Review Universal Application and discuss optional additional

questions.
The Universal Application has a total of 90 points, with 20 optional points for additional questions posed by the applicant and/or the county council.

- ✓ Review policy and program revisions.
New investment area—On-farm Energy Efficiency & Production.

These are just a few of the items on the list. For a copy of the complete council meeting check list, contact your county's project analyst at (502) 564-4627, ☎



Staff Photo

Todd Harp, Sr. Project Analyst, reviews the history of the Agricultural Development Fund at a Regional Workshop.

Meet a Council Member: Phyllis Amyx

Phyllis Amyx is a long-time resident of Wolfe County and has been influential in the development and improvement of agriculture in her community. She has dedicated multiple hours to the Wolfe County Agricultural Development Council as their Secretary/Treasurer and has served as Council Member since its creation in 2000.

"At the beginning, I had no idea how much it would affect our

county," said Amyx. "We have strived to distribute the money in a fair and wise manner and to help as many producers that we can."

Amyx noted that tobacco was the main agriculture commodity in the county; now it's beef cattle and hay.

"With the help of the program, our quality and quantity on both is much improved," added Amyx.

"We can drive through the county and see where our money has

been spent."

Amyx was this year's recipient of the Council Member of the Year Award for District 2.

Amyx also has also served as the 1st Vice President for the Kentucky Farm Bureau Women's Advisory Committee.

She has influenced many lives through the work and efforts she puts forth in many other organizations within her community. ☎



Staff Photo

District 2 County Council Member of the Year, Phyllis Amyx, receives award from Roger Thomas at the 2009 KAFC/KADF Annual meeting in January.

Regional Workshops

The Regional Workshops are well underway and we hope that you will be able to join us at one of the remaining locations.

This is your opportunity to hear about policy and program changes, first-hand; meet agricultural leaders from other counties; and ask your questions of GOAP staff.

All workshops are 9:00 a.m. to noon local time.

Wednesday, May 27
Gallatin Co. Extension Office

Thursday, May 28
Hart Co. Extension Office

View the complete agenda at <http://agpolicy.ky.gov>.

RSVP your workshop attendance to:

Kylee Smith or Jennifer Daniels
(502) 564-4627
govkyagpolicy@ky.gov



Staff Photo

Paul Redmon and Rick Greenwell review information at the kick-off workshop in Shelby County.

Compliance Corner

Compliance Corner On-line agpolicy.ky.gov

- Reporting
- Program Info
- Spotlights

Senior Compliance Coordinator, Kylee Smith, is busy traveling the Commonwealth with the first wave of regional workshop, along with Compliance Specialist, Jennifer Daniels, and the area project analysts.

For those who have not yet been to a workshop, Kylee points out these key changes that current program administrators need to be aware of:

- Model Programs are now "Investment Areas".
- All 11 Investment Areas are now offered through the County Agricultural Investment Program (C.A.I.P.).
- C.A.I.P. is a 12-month program.
- Only one administrator per county for C.A.I.P.
- All producers will now apply for C.A.I.P. using the Univer-

sal Producer Application and will be scored with the Universal Scoring Criteria.

- **Reminder** - An executed legal agreement is required prior to advertising the program or accepting applications.

Please attend one of the informative workshops being held across the Commonwealth. See page five for the remaining dates and locations. ☺

Investment Area Changes

General Guideline Revisions

- ✓ Producer defined—social security number and farm serial number, once annual limit reached neither may be used again
- ✓ Administrative funds—clarifies that they are for expenses related to administering the KADB programs
- ✓ 5% cap on administrative funds
- ✓ Tenant farmers with capital construction projects must supply Schedule F and letter from land owner
- ✓ Labor not an eligible item, materials only
- ✓ Capital improvements require 5-year ownership or return of funds on pro-rated basis, failure to do so may result in ineligibility of applicant
- ✓ Adequate insurance coverage must be maintained by producer on capital improvements

Agriculture Diversification

- ✓ Washing equipment added to Commercial Vegetable area
- ✓ Timber Production added

Cattle Genetics Improvement

- ✓ Head limit removed

Cattle Handling Facilities

- ✓ Includes animal waste removal under animal waste handling and distribution equipment

Poultry, Dairy & Swine

- ✓ These three programs combined into one investment area
- ✓ Poultry—removes equipment for value-added processing, transportation, and promotional/advertising materials
- ✓ Dairy—adds TMR mixers, hoof trimming chutes, foot baths, shade cloth, water beds after free-stall mattresses, and changes calf-raising facilities to young stock facilities
- ✓ Swine—includes animal waste handling and distribution equipment

Farm Livestock Fencing

- ✓ Increases cost-share from \$1.00/linear foot to \$1.50/linear foot
- ✓ Removes the per acre calculation option and pays based on feet of fence built

Forage Improvement

- ✓ Adds herbicide in Forage/Pasture Development and Pasture/Grain
- ✓ Adds animal waste removal to Forage/Pasture Development
- ✓ Adds *Festulolium* to eligible cool season grasses
- ✓ Includes expenses associated with water meter installation

Farm Structure & Commodity Handling

- ✓ Program name change
- ✓ Changes "Hay Handling" to "Commodity Handling"
- ✓ Includes hay rings, concrete and portable feed bunks
- ✓ Changes round bale wagon to hay wagon and bale packager to bale accumulator
- ✓ Removes 90/10 payment to 100% at completion of project

Goat & Sheep Diversification

- ✓ Combines side panels, gates, and one-way gates into one gate category
- ✓ Requires that equipment be owned and maintained for 5-years



Staff Photo

Program administrator, **Melvin Dean** with Fayette County Conservation District, participated in the regional workshop in Shelby County.



Staff Photo

Dean Scott Smith talks with Linda Hieneman, Greenup County Extension Agent, during a biofuel event in South Shore.

Investments

The Kentucky Agricultural Development Board seeks to invest in innovative proposals that that increase net farm income and effect tobacco farmers, tobacco-impacted communities and agriculture across the state by stimulating markets for Kentucky agricultural products, finding new ways to add value to Kentucky agricultural products, and exploring new opportunities for Kentucky farms.

At their February, March, and April meetings, the KADB approved 18 projects for a total of \$1,843,247 in state and county Agricultural Development Funds.

These projects represent just a few of the over 3,400 projects that have been approved since the program's inception in 2001.



Breathitt Veterinary Center
Murray State University was approved for \$300,000 in state funds for a feasibility study to analyze the effects of replacing or renovating the Breathitt Veterinary Center. (Apr.)

Carolines Garden
Carolines Garden was approved for \$10,000 in Trigg County funds to develop a model farm educational program for area youth. (Apr.)

Computer Literacy for Ag
The Bullitt County Board of Education was approved for \$12,500 in Bullitt County funds to purchase computers for the Bullitt Central High School Vocational Agriculture Department to teach essential computer skills and help producers manage their farming operations. (Feb.)

Custom Livestock Processing
Central Kentucky Meats, Inc. (CKCM) was approved for \$104,679 in state funds as zero interest loan to expand their USDA inspected custom processing facility in Casey County. (Feb.)

Grayson County Farm Welding Program

The Grayson County Conservation District was approved for \$6,000 in Grayson County funds to provide a welding education program for tobacco dependent farmers. (Apr.)

Jessamine County Youth Cost-share Program

The Jessamine County FFA Alumni Association Inc. was approved for \$9,000 in Jessamine County funds to provide a student agriculture project cost-share program. (Apr.)

Kentucky Farmers' Market Association, Inc.

The Kentucky Farmers' Market Association, Inc. (KFMA) was approved for \$60,000 in state funds to support a multi-faceted approach to increasing sales at farmers' markets throughout Kentucky. (Feb.)

Kentucky's Tobacco Master Settlement Documentary

The Media Working Group, Inc. was approved for \$50,000 in state funds to produce a television documentary on the transition of Kentucky farms as result of the Tobacco Master Settlement Agreement, as well as, highlight the efforts of the Kentucky Agricultural Development Fund. (Feb.)

Large/Food Animal Veterinary Incentive Program

The Kentucky Cattlemen's Foundation, Inc. was approved for \$1 million in state funds as a zero interest loan to create an incentive program to support licensed veterinarians/technicians practicing large/food animal medicine in Kentucky. (Feb.)

Lincoln County Honey Production & Expansion

Lincoln County Beekeepers Inc. was approved for \$6,500 in Lincoln County funds to conduct educational seminars on honey production and marketing and provide a cost-share assistance program related to the production, packaging and marketing of honey. (Apr.)

Purple Toad Winery

Dossey Vineyards LLC was approved for \$2,500 in McCracken County and \$50,000 in state funds to build a new facility and purchase equipment for a winery expansion in Paducah. (Apr.)

Shady Lawn Farm Goat Dairy

Shady Lawn Farm was approved for \$5,000 in Bracken County funds for the expansion of a goat dairy operation. (Apr.)

Todd Co. Animal Removal

Todd County Fiscal Court was approved for \$6,534 in Todd County funds to assist with the county's dead animal removal program. (Feb.)

Value-added Beef Plant Study

The South Kentucky Rural Electric Cooperative Corporation was approved for \$130,000 in state funds to develop an in-depth plan for a beef processing plant in southeastern Kentucky. (Feb.)

Washington County Switchgrass Program

The Washington County Cattlemen's Association Inc. was approved for \$51,000 in Washington County funds to provide a seeding program for the establishment of switchgrass in Washington County. (Apr.)



SXC Photo

(Above) Jar of honey with comb.

(Below) No-till drill - an example of equipment eligible for the shared-use equipment program.



Staff Photo

Shared-use Equipment Programs

Established with the purpose of impacting a high number of producers, who cannot justify ownership expenses associated with certain equipment.

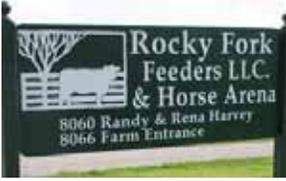
The following county Conservation Districts were approved for this program in March:

Estill Co. \$11,400
For the purchase of a no-till drill to lease to county farmers.

Lee Co. \$17,000
For the purchase of a flex-wing harrow and lime spreader to lease to county farmers.

Woodford Co. \$11,594
For the purchase of a no-till drill to lease to county farmers.

KAFC Update



Rocky Fork Feeders in Shelby County received an Agricultural Infrastructure Loan for a feeder cattle operation.



Staff Photos

During their January and March meetings, the Kentucky Agricultural Finance Corporation approved over \$1.5 million in loans for 14 producers across Kentucky.

Applicants from the following counties were approved for the Agricultural Infrastructure (AILP), Beginning Farmer (BFLP), and Large/Food Animal Veterinary (LAVLP) Loan Programs.

- Adair (AILP, BFLP)
- Breckinridge (BFLP)
- Calloway (BFLP)
- Carlisle (2-AILP)
- Hancock (BFLP)
- Logan (AILP)
- McCreary (AILP)
- Meade (AILP)
- Scott (AILP)
- Shelby (LAVLP)
- Taylor (AILP)
- Wayne (BFLP)

KAFC participates with lenders through the *Agricultural Infrastructure Loan Program* to provide financing to producers who are making capital expenditures for agricultural projects.

Eligible projects include permanent farm structures with attached equipment that improves the profitability of farming operations.

(Continued on page 9)

Siemer Milling Presented Check



(above) Maryview Farms in Bracken County received an Agricultural Infrastructure Loan for a grain facility.

(below) The Seymours of Roundstone Native Seed received an Infrastructure loan for expansion of their facilities in Hart County.



Staff Photos

In March, Gov. Steve Beshear presented Siemer Milling Company officials with funding that will help support a \$15 million expansion of the company's operations in Hopkinsville, Ky.

On behalf of the Kentucky Agricultural Finance Corporation, Gov. Beshear presented a \$3 million check, during Siemer Milling's expansion announcement. The funds will assist in the expansion of the wheat processing facility in Hopkinsville, increasing annual capacity by 3.5 million bushels.

The funds presented to Siemer Milling are from the KAFC's Agricultural Processing Loan Program and represent a significant investment in the support of value-added processing projects that provide additional markets from Kentucky commodities.



Staff Photo

Not only will this expansion provide additional jobs and expand the amount of wheat purchased and processed at the mill, but it also will increase food safety while decreasing energy use. The design of the expansion was done with energy efficiency and conservation of electricity in mind.

"With the enthusiastic cooperation of area wheat producers, the Economic Development council, local government, and many other friends, we have achieved more here than we ever imagined," said Siemer Milling Company President Rick

Siemer. "This investment from the Kentucky Agricultural Finance Corporation is enabling us to develop new opportunities, enhance our efficiency and increase our utilization of locally sourced inputs, primarily wheat."

Siemer Milling Company has been in business 126 years. Their primary product is wheat flour milled to different specifications for the baking industry. Additionally, Siemer Milling engages in innovative flour-based businesses, such as glue extenders, which are flours used as part of the adhesive system in manufacturing plywood.



Staff Photo

First Vet Loan Approved

Dr. Melissa Lipps and her husband Joe of Shelbyville, received the first low interest loan in the new Large/Food Animal Veterinary Program. Dr. Lipps is a partner in the Shelby Veterinary Clinic, which is one of the last remaining food animal practices in the area. With the low interest loan, they plan to buy-out the remaining interest in the clinic in hopes of continuing the emphasis on large animal medicine.

The Kentucky Agricultural Development Board allocated \$1 million dollars this past November to KAFC to be used for low interest financing for veterinarians to establish or expand large/food animal vet-

erinary services in Kentucky. Specifically the KAFC Large/Food Animal Veterinary Loan Program will provide low interest loans to assist individuals licensed to practice veterinary medicine in Kentucky who desire to construct, expand, equip or buy into a practice serving large/food animal producers.

"We realize that this is only one piece of the complicated puzzle in attracting more large/food animal veterinarians," said Roger Thomas, Executive Director of the Governor's Office of Agricultural Policy. "But we believe that by devoting a few resources to this area we can have a meaningful impact." ☞

KAFC Update, cont.

(Continued from page 8)

The **Beginning Farmer Loan Program** is designed to assist individuals with some farming experience who desire to develop, expand or buy into a farming operation.

Beginning farmers may qualify for financing to purchase livestock, equipment, agriculture facilities, to secure permanent working capital and to make a down payment on real estate or invest in a partnership or

Limited Liability Corporation.

The **Large/Food Animal Veterinary Loan Program** is designed to assist individuals licensed to practice veterinary medicine in Kentucky who desire to construct, expand, equip or buy into a practice serving large animal producers, as well as other smaller food animals.

To date, KAFC has approved 284 projects and committed over \$30.8 million. ☞

Large/Food Animal Loan Program

- ✓ participation loan
- ✓ requires a lender to initiate the application process
- ✓ applicant must be licensed to practice veterinary medicine in Kentucky
- ✓ net worth less than \$500,000
- ✓ up to \$100,000 not to exceed 50%
- ✓ interest rate fixed at 2%
- ✓ maximum loan term will be 15 years
- ✓ five year business plan



A large animal veterinarian works cattle on-site at a farm in Warren County.



Photos: Keeton Communications

Kentucky Agricultural Finance Corporation

Chair, Richie Farmer
Agriculture Commissioner

Jonathan Miller
Finance Secretary

Bob Gaslin
Financial Services Officer

Wayne Hunt
Grain Farmer, ADB Liaison

Larry Jagers
Dairy Farmer

Doug Lawson
Commercial Lender

Charles Miller
Livestock Farmer

Frank A. Penn
Equine Representative

Bob D. Proffitt
Horticultural Producer

James T. Reams
Commercial Lender

Annette Crawford Walters
Former Lending Officer

Program Changes

(Continued from page 6)

On-farm Water

- ✓ Adds expenses associated with meter installation

Shared-use Equipment

- ✓ States that collection of future rental fees cannot act as match

Regional Agritourism

- ✓ Two award limit
- ✓ Maximum eligible limit is \$50,000 each time

Farmers' Market

- ✓ Program no longer competitive
- ✓ May request feasibility study for regional applications over \$100,000

☞

The Commonwealth Grows

Legislative Update



Staff Photo

The 2009 session of Kentucky's General Assembly came to a close on March 26. Even though session has ended, it is important to know who's in leadership and who represents your interests on the house and senate agriculture committees. These committees con-

tinue to work and meet throughout the year, laying the groundwork for possible legislation in the next session.

This is particularly important, because the 2010 session will be a budget session, and policy makers will have to make critical decisions about funding programs.

Therefore, it is important to start telling the story of agriculture now, its importance to Kentucky, and the importance of the Agricultural Development Fund to the continued growth and diversification of Kentucky's agriculture and rural communities. ☪

Important Contact Information:

www.lrc.ky.gov
 Legislative Message Line
 (800) 372-7181
 TTY Message Line
 (800) 896-0305
 En Espanol
 (866) 840-6574

Tobacco Settlement Oversight Cmte.

Sen. Carroll Gibson
 Co-Chair
 Rep. Dottie Sims
 Co-Chair
 Sen. Charlie Borders
 Sen. David E. Boswell
 Sen. David Givens
 Sen. Dan Kelly
 Sen. Joey Pendleton
 Rep. Royce W. Adams
 Rep. James R. Comer
 Rep. Charlie Hoffman
 Rep. Tom McKee
 Rep. Tommy Turner



Senators *Ernie Harris (R-26)* and *David Givens (R-9)* discuss legislation during session.

Photo: LRC Public Information

Kentucky Senate Leadership

President: David L. Williams
President Pro Tem: Katie Stine
Republican
Majority Floor Leader: Dan Kelly
Majority Caucus Chair: Dan Seum
 Majority Whip: Carroll Gibson
Democrat
Minority Floor Leader: Ed Worley
Minority Caucus Chair: Johnny Ray Turner
 Minority Whip: Jerry Rhoads

Senate Agriculture Cmte.

David Givens, Chair
 Vernie McGaha, Vice Chair
 David E. Boswell
 Ernie Harris
 Dan Kelly
 Robert J. (Bob) Leeper
 Joey Pendleton
 Dorsey Ridley
 Kathy W. Stein
 Damon Thayer
 Ken Winters

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Speaker Pro Tem: Larry Clark
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 Majority Whip: John Will Stacy
Republican
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Photo: LRC Public Information

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 Don R. Pasley
 Tom Riner
 Steven Rudy
 Dottie Sims
 Kent Stevens
 Wilson Stone
 Tommy Turner
 Susan Westrom

2009 Agriculture Legislation

HB 284 :: Ky. Agriculture Resource Development Authority (KARDA)

Focus the scope of the functions of the KARDA board and restructure from 27 members to 23 members; create a non-codified section to describe the transitional process in appointing the members of the board.

SB 47 :: Transportation of ag. products & livestock

Allows a 10% gross weight tolerance on all highways, except interstates, for farm trucks transporting agricultural products.

SB 83 :: County agricultural development councils

Amends KRS 248.721 to expand size of county agricultural development councils; establish term

limits for council members; establish procedures for replacement of council members.

HR 232 :: Tobacco Task Force

Reauthorizes the Tobacco Task Force to help resolve the problems facing Kentucky's tobacco industry.

Visit www.lrc.ky.gov to view these bills, as well as other agriculture legislation considered. ☪

Upcoming Events

Recurring Meetings

Tobacco Oversight Cmte.
First Wednesday of the month
www.lrc.ky.gov

Kentucky Agricultural Finance Corporation
First Friday of the month
kafc.ky.gov

Kentucky Agricultural Development Board
Third Friday of the month
agpolicy.ky.gov



Scenes from...

Governor's Derby Celebration
Capitol Grounds
May 2, 2009



Staff Photo

The Derby Farmers' Market provided guests with a sampling of what local farmers' markets have to offer.

Members of the Kentucky Farmers' Market Association and the Kentucky Farm Bureau Roadside Market Program participated.

Miscanthus Planting
Midwestern Biofuels, South Shore
May 13, 2009



Staff Photo

Gov. Steve Beshear and Rep. Rocky Adkins plant miscanthus, using a tobacco transplanter. Harvested miscanthus will be pelletized and burned in conjunction with coal to produce energy.

May 30
Llama & Alpaca Daze

Georgetown, KY
Free admission and parking for the event. For information call (502) 857-9100 or email dbeaudin14@hotmail.com.

June 2
Cattle Crawl

Harrodsburg, KY
Event is a progressive dinner and transportation will be provided from the Mercer County Extension Office. Cost: \$50 and includes a 4-course meal, transportation during the tour, and a commemorative gift. Seating is limited. For tickets, contact LeMayne Ellis at (859) 734-5546.

June 2-4
11th Annual National Value-added Agriculture Conference

Moline, IL
For more information visit www.nvaa2009.homestead.com

May 31 - June 4
WKU ASSET Conference

Bowling Green, KY
Designed for students who have just completed their junior year of high school, excel in academics, extra-curricular activities and are leaders in their community, the ASSET Conference (Agriculture Students Striving for Effective Tomorrows). For more information visit www.wku.edu

June 4
KY Meat Goat Field Day

Berea College, Hall Science Building, Berea (8:30 a.m. – 4:00 p.m. EDT): Cost: \$10; an optional FAMACHA training will be offered for \$15 to be paid on-site. For more information, contact the Madison County Cooperative Extension Service (859) 623-4072.

June 5-7
Ft. Harrod Beef Festival

Mercer Co. Fairgrounds, Harrodsburg
www.fortharrodbeeffestival.org

June 7-9
2009 KY Junior Livestock Expo East

Morehead St. Derrickson Ag Complex
www.kyagr.com/marketing/fair/kjle.htm

June 9-11
State FFA Convention

Lexington Center / Rupp Arena
Contact Matt Chaliff via e-mail at matt.chaliff@education.ky.gov for more information or visit the Kentucky FFA Web site at http://www.kyffa.org/index.php?page=state_convention.

June 13-20
Dairy Goat Awareness Week
adga.org

July 12-14
Kentucky Association of Conservation Districts Annual Meeting

Galt House, Louisville: More information will soon be available at www.conservation.ky.gov.

July 23
UK All Commodity Field Day

Princeton, KY
For more information visit www.ca.uky.edu.

July 28-31
KFB Farm Market Tour

Virginia
For more information visit www.kyfb.com.



June is Dairy Month in Kentucky

How will you celebrate?

GOAP Staff List

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Chief of Staff

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Spare a Tree



E-mail Sandra.gardner@ky.gov to receive this newsletter by e-mail.

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Energizing Kentucky Agriculture

Governor's Office of Agricultural Policy

404 Ann Street

Frankfort, KY 40601

Ag Development Fund Success Story

Projects elevate county's quality of life

- *Ted Sloan*

Kentucky Agricultural News

Agricultural development funds helped bring a multipurpose facility and a greenhouse to Cumberland County.

The greenhouse at Cumberland County High School enables students to raise vegetable plants and flowering annuals, vocational agriculture teacher Lanny Willen said.

They sell the plants and vegetables to raise money for the local FFA chapter.

The course teaches students plant anatomy and physiology as well as business and customer relations, Willen said.

Local citizens use the all-weather multipurpose building to sell homemade crafts, garden produce, freezer beef and other products from local farmers. It also has been used for goat shows and sales.

Late last year it was utilized as a work area for artisans who produced barn quilts to appear on barns throughout Cumberland County.

"Our [county] ag development board wanted funds invested in a long-lasting project that would be there after they were no longer associated with the process," said Cumberland County Extension agent Greg Tompkins.

The 50-by-75-foot steel structure has modern amenities.

Tompkins said local officials plan to put a commercial kitchen in the building so some light processing of fruits and vegetables can be offered in the future.

He said the building is a draw for local people as well as visitors on their way to Dale Hollow Lake or during festivals and other special events.

"It's in an ideal location. It's been a real benefit to this community," Tompkins said. "It was money well invested in my opinion."

Visit www.kyagr.com/pr/AgFund.htm for more success stories.



(Above) Cumberland County High School students work in the school's 80x24-foot greenhouse.

(Below) Local produce, crafts and other items are sold in the agriculture expo center.



Photos: Greg Tompkins

