





I believe  
in the Future of  
Agriculture with  
a faith born not  
of words but  
of deeds....

*from the FFA Creed*

# Letter from the Chairman

Over the years I have had the good fortune to wear many professional hats through my work in education, government, non-profit organizations, the ministry, and business. But at my roots, I am a farmer and I remain a farmer, even as the profession of farming has undergone enormous changes over the years that I have lived and worked in agriculture. I care deeply about farming and the culture of farming that continues to thrive in our very unique state.

“Production agriculture,” as we know and practice it in Kentucky — but also across the nation and the globe — has changed in terms of markets that traditionally were profitable and open to everyone such as tobacco, dairying, beef cattle and equine. On the other hand, new opportunities have opened in recent years with commodities such as small grains, poultry and aquaculture or with selling locally-grown fruits and vegetables at the Farmers Markets blossoming across the state that were not seen as relevant or financially viable to most farmers a few years back. I am told that exporting large-mouth bass fingerlings to Canada now is even a profitable market for some! Kentucky agriculture has certainly diversified with many other products as well.

Technology, too, has transformed and continues to transform agriculture. GPS-driven tractors and computer-directed seed-sowing are now accepted practices. Even now sophisticated technologies are here including satellite data that tells us about water conditions, soil chemistry, and seed productivity for specific sites. Farmers have become technologists, but they also are business persons, trying to maintain viable and financially successful enterprises on land that their fathers, perhaps their grandfathers or even great-grandfathers, had farmed.


And farmers — above all — understand and value the land upon which they farm. We as farmers are still the best stewards and conservationists of our farm.

Now we welcome in our midst a new generation of farmers; some young, who aspire to assume the careers of their parents and to continue operating a “family business” and some are “retired” from other occupations, trying their hand at a new occupation. Some are people in the middle who have lived in rural communities or whose parents farmed, but who until recently had not seen farming as a practical, viable career and life-style choice. We welcome them all and celebrate the emerging opportunities that are before us and them.

For this new generation of farmers, we the “established folks” must dedicate ourselves and prepare to pass a baton. Strategic planning — academic as it may sound — is a tool that we use to “take stock” of where we are and through which we plant a flag towards the future direction in which we see a prosperous and productive future.

The efforts of the Kentucky Ag Council Task Force on the Future of Agriculture have been dedicated to this task for the past 12 months. I salute the Task Force and commend to you all to take to heart the spirit and content of this document.

Sincerely,



Dan Flanagan  
2012 KAC Chairman



# Priority Policy Actions to Advance Kentucky Agriculture (“Top 5 List”)

- Restore the historical level of revenue to the Kentucky Agricultural Development Fund that will permit it to continue support for diversification of Kentucky farm production and strengthen the economic vitality of rural communities.
- Fully fund and implement initiatives underway to upgrade the diagnostic facilities at the Murray State Breathitt Veterinary Center, including full construction funding in the Commonwealth’s 2014 Budget.
- Improve the competitiveness of Kentucky agriculture with other states and help to increase net farm income through innovative legislation and tax law modifications and also create a regulatory environment that allows agricultural producers and businesses to make long-term operational decisions and investments in land, labor and equipment.
- Continue to provide strong funding support for the Department of Agriculture’s Kentucky Proud program; also increase state funding through KDA for agriculture-focused companion marketing efforts at regional, national and international events.
- Adequately fund the State’s Agricultural Experiment Stations and University Farms to cover the costs of deferred maintenance on facilities and provide adequate funds for new programs.

# Inspirations and Aspirations

*“Agriculture is our wisest pursuit, because it will — in the end — contribute most to real wealth, good morals and happiness.”*

— Letter from Thomas Jefferson |to George Washington, 1787

*“I had rather be on my farm than be emperor of the world.”*

— George Washington

*“The first farmer was the first man. All historic nobility rests on the possession and use of land.”*

— Ralph Waldo Emerson

*“Farming looks mighty easy when your plow is a pencil and you’re a thousand miles from the cornfield.”*

— Dwight D. Eisenhower

*“Good farmers, who take seriously their duties as stewards of Creation and of their land’s inheritors, contribute to the welfare of society in more ways than society usually acknowledges, or even knows. These farmers produce valuable goods, of course; but they also conserve soil, they conserve water, they conserve wildlife, they conserve open space, they conserve scenery.”*

— Wendell Berry

*“Eating is an agricultural act.”*

— Wendell Berry

# Contents

Letter from the Chairman .....	2
Priority Policy Actions to Advance Kentucky Agriculture (“Top 5 List”) .....	3
Inspirations and Aspirations .....	4
Preface: Overview of Kentucky’s Agricultural Economy .....	6
Perspectives on Farming in the “Post-Tobacco Settlement Era:” The Importance of the Kentucky Agricultural Development Fund to Kentucky’s Progress. ....	8
Section One: Core Strategies and Recommended Actions to Drive Kentucky Agricultural Progress .....	11
Next Generation Farming .....	12
New Market Identification & Development .....	15
Regional Agricultural and Rural Community Development .....	18
Education .....	21
Consumer Outreach .....	24
Policy-Maker Education. ....	29
Section Two: Conclusions and Next Steps .....	31
The Planning Process at a Glance .....	32
Task Force Membership .....	35
Acknowledgements .....	36



# Preface: Overview of Kentucky's Agricultural Economy

By Dr. Will Snell, Ag Economist, University of Kentucky

---

Kentucky agriculture has experienced its share of extreme challenges over the past decade. Major weather events such as severe droughts, untimely freezes, and record high temperatures, limited labor supplies at relatively high costs, heightened regulatory concerns, cuts in farm programs, severe national and global economic downturns / financial crises, along with slumping markets for two of the state's signature enterprises — tobacco and horses — have all confronted Kentucky agriculture during the early period of the 21st century.

On top of all this was the 2004 tobacco buyout, which resulted in the Commonwealth experiencing arguably the most dramatic structural change in its agricultural economy compared to any other U.S. state. Despite all these challenging events, Kentucky agriculture as a whole has not only survived but also has prospered over this period, much different than the outcome for other parts of the economy. Investments, market opportunities, and planning have set the stage for Kentucky agriculture to be in a position to take advantage of anticipated growing demand conditions in the coming years.

## Background

Kentucky agriculture averaged \$3.4 billion of sales during the 1990s. Despite the loss of over one billion dollars of annual sales from tobacco and horses, Kentucky farm cash receipts grew steadily over the past decade and established a record high of nearly \$5 billion in 2011. The boost in cash receipts, coupled with ongoing tobacco buyout payments enabled net farm income to exceed \$1.5 billion in 2011, 20% above the previous five year average.

Strong export markets in response to favorable exchange rates, tight world supplies, and increasing incomes in developing nations, along with investments by the Kentucky Agricultural Development Fund, a change in the nation's energy policy promoting renewable fuels, and the growing demand for poultry, local foods, wines/distilled spirits and agri-tourism have all contributed to the growth and much greater diversity in the Kentucky agricultural economy.

Kentucky agriculture was poised to grow again in 2012 until Mother Nature disrupted these positive trends. However, relatively strong cattle prices, rebounding tobacco and equine markets, crop insurance proceeds, and growth in local produce sales will cushion the blow for many Kentucky farmers in 2012 to help partially offset extremely low crop yields, and depressed dairy markets.

## What opportunities do the future hold?

Despite current global economic challenges, the future shows much promise for Kentucky agricultural products in the international arena. Rebounding global economies, population/income gains, implementation of regional trade agreements, combined with our commodity mix of grains and livestock to meet the changing global consumer desiring more protein in their diets, should allow for opportunities for growth in Kentucky agricultural exports (both commodities and value-added) in the coming years, even with intense competition from our global competitors. Locally, look for increased sales of Kentucky fruits, vegetables, meats and other products to a changing consumer base who is demanding more locally produced items — generating strong returns to recent investments in marketing infrastructure and promotion.

Regionally, Kentucky possesses transportation cost advantages in delivering agricultural and food products to a large portion of the U.S. population. And our climate certainly bodes well relative to the water challenges in the west. Kentucky's abundant natural resources will enable the Commonwealth's forestry/wood product industries to benefit from a rebounding global economy. Plus, our changing lifestyles will provide ample opportunities for expanded agri-tourism activities for an urban population base seeking entertainment, food, and beverages in rural areas.



## Kentucky Agricultural Council's 2011 Bio-energy Symposium

The Kentucky Department for Energy Development and Independence advanced Kentucky's bio-energy development by sponsoring the Kentucky Agricultural Council's Bio-energy Symposium in November 2011. The event focused on supply and demand risk mitigation of biomass feed stocks. Various firms addressed their procurement challenges, while potential producers learned about the developing economic opportunities for energy crops. More than 185 stakeholders attended the symposium and each was provided a copy of the Kentucky Division of Forestry's newly released "Recommendations for the Harvesting of Woody Biomass." The Symposium presentations are available on line at: <http://energy.ky.gov/biofuels/Pages/BioenergySymposium.aspx>

Consequently, despite growth in other non-agricultural parts of our state's economy, a broadly defined agricultural industry will likely continue to account for more than 10 percent of jobs and economic activity for Kentucky in the years ahead. The question becomes whether these emerging opportunities can generate increased sales, and more importantly, higher net farm income in the foreseeable future?

### What will be our greatest challenges?

Kentucky agriculture has been fortunate to have access to 50% of the Master Tobacco Settlement funds over the past decade to invest in diversifying and expanding Kentucky's agricultural economy. However the future of these funds remains uncertain given political (i.e., state budget) and economic (i.e., declining cigarette sales) issues.

A more immediate and direct concern will be filling the void of tobacco buy-out payments ending in 2014 and likely cuts in other government payments (e.g. direct payments), collectively accounting for around 20 percent of our net farm income in recent years. Consequently, Kentucky agriculture, like U.S. agriculture will probably have to depend more on the marketplace to replace these lost dollars. Economic and political challenges to our tobacco and equine industries remain a legitimate concern.

Geographically, farm leaders need to continue to evaluate economic opportunities in eastern Kentucky whose economies have not benefitted from the overall expansion of Kentucky agriculture in recent years. Labor availability, costs, and regulations remain a serious threat to labor intensive industries such as tobacco, vegetables, equine and dairy. Plus the future direction of our nation's energy policy as it relates to both grain and cellulosic ethanol could create both concerns and opportunities for Kentucky agriculture and our rural economies.

Additional changes in environmental regulations, animal welfare standards, land use policies, and food safety requirements may impact future production costs, but could create opportunities for those who can adopt in a profitable manner to meet the demands of a discriminating consumer and a more active and engaged society over food production.

On the supply side, consistency, availability, and uniformity of supply are critical to meet the needs of major food manufacturers, both here and abroad.

## Top Kentucky Commodities by Dollar Value (2011)

Poultry	\$ 952,882,000
Horses	\$ 800,000,000
Corn	\$ 786,292,000
Cattle & Calves	\$ 629,000,000
Soybeans	\$ 601,212,000
Tobacco	\$ 325,236,000
Dairy Products	\$ 232,200,000
Wheat	\$ 199,216,000
Hay	\$ 135,694,000
Hogs	\$ 118,977,000

In addition, a better-coordinated state-wide export marketing program may be needed to maximize our growth potential in the international marketplace.

An aging farm population raises issues of creating incentives and educational programs for young and beginning farmers to possess skills necessary to take advantage of both traditional as well as emerging markets. Educating a growing non-farm sector, including policymakers of the vital economic and social/cultural role that agricultural plays in our beloved rural communities will become increasingly important.

Finally, adding more off-farm jobs with decent wages/benefits, improving educational levels, accessible/affordable health care, enhancing entrepreneurship, and overall leadership will be critical for the future for the Commonwealth's farm families and rural communities.

# Perspectives on Farming in the “Post-Tobacco Settlement Era:” The Importance of the Kentucky Agricultural Development Fund to Kentucky’s Progress

Kentucky Agriculture — still one of the largest sectors of the state’s economy in terms of financial scale and employment — continues to redefine its future opportunities. It has embraced those opportunities head-on through the highly innovative public policies and a sustained program of strategic investments made possible by the Kentucky Agricultural Development Fund.

This updated Strategic Plan reflects a recommitment to visions and policies that resulted in establishment of the KADF. The Task Force urges Kentucky leaders to “stay the course” of promoting positive change in the state’s agricultural landscape through the investments made possible by the KADF.

For Kentucky farmers and agricultural leaders, the word “change” is synonymous with the word “tobacco.” Once the state’s number one cash crop and the foundation for a highly regulated industry, tobacco has lost its historical position as the economic engine for Kentucky agriculture. Kentucky’s “next generation farmers” live in a world that was reshaped by the Master Settlement Agreement and by the federal Tobacco Buyout legislation. (See sidebars.)

Kentucky always has maintained a diverse agricultural economy — more so than many states — due to our varied geography and distinct regional assets. This has allowed the state’s gross agricultural receipts to rebound from the drop in tobacco sales, for instance, through the strength of its equine industry, the rapid expansion of poultry production and its leadership

in beef cattle production east of the Mississippi river.

However, the opportunity for individual farmers to rapidly shift to new forms of cultivation or livestock production, or to develop new markets to replace the economic mainstay that tobacco formerly represented, are not equally distributed across the state. A majority of Kentucky farms, for example, are small in size compared with national averages, and located on terrain that does not easily lend itself to large-scale crop production.

Therefore, while some portions of the State have more quickly adapted and made a transition to new, economically viable crops and livestock production, a majority of the State’s counties have lost net ground in their economic base from agriculture. This burden has fallen disproportionately on the eastern part of the state, and represents a serious economic and economic development challenge for rural communities, Counties, and for State government.

The issue for Kentucky farmers is not just purely one of an intent and willingness to diversify their products, but equally one of their ability to make the needed transition — unaided — at a time of especially difficult market conditions in terms of rising fuel, labor, fertilizer, and equipment costs, and in the face of ever-more stringent environmental, consumer and other regulations.

The ability to move quickly and to make investments in new equipment,

new technologies, new farming practices, and new approaches to value-added food processing and marketing approaches requires an entrepreneurial spirit — as well as financial resources — that is new to many established, traditional farmers and farm families. It also requires significant investments in education and training, and improved delivery and coordination of technical services, beyond the levels that have been available to the farmers and rural youth in the past.

It is because of the unique nature of the transition that agriculture in Kentucky is seeking to achieve, that exceptional focus was placed by the Task Force on the level of funding available to sustain the Kentucky Agricultural Development Fund and the programs and initiatives the KADF makes possible. Indeed, the KADF is the bedrock as well as the catalyst for change and innovation — above and beyond the resources that State government traditionally has allocated to support agriculture and economic development in rural communities.

Therefore, the Task Force has reaffirmed its strategic intent for the State to:

***“assume its historic obligation to use General Fund dollars to support basic agriculture and rural development programs, recognizing that Kentucky Agricultural Development Fund (KADF) dollars were intended for strategic investments in new and expanding agricultural initiatives.”***

Specific recommended actions that support and implement this overarching intent are spelled out in the following pages of this strategic plan. A clear aspect of this intent is that KADF dollars should be used for projects that directly benefit agricultural producers for the purpose of improving net farm income.

**Background on the Master Settlement Agreement and Kentucky House Bill 611 (Creation of the Kentucky Agricultural Development Fund)**

The historic legislation establishing the Kentucky Agricultural Development Fund (KADF), and its related policy-making and administrative structures, represents not only the largest commitment to agricultural diversification ever undertaken in the Commonwealth, but also in the nation.

HB 611 was a visionary act of legislation and public policy, created in the wake of the 1998 Master Settlement Agreement between participating tobacco manufacturers and the 46 settling states. It anticipated the eventual resolution of the national policy debate on tobacco, even though the final outcome was not assured at the time. Through HB 611 Kentucky’s agricultural leaders, legislators, and state government officials united to lay a foundation for the Commonwealth to transition from being an agricultural economy dependent on tobacco production, to an agricultural economy that thrives on diversity.

**SIDEBAR**

**National Tobacco Buyout Legislation**

Work on a tobacco buyout began in 1997 during the unsuccessful attempt by Congress to enact a legislative health cost recovery measure against the big tobacco companies. The next effort — to tie a buyout to the state Attorneys General suit against tobacco companies — also was unsuccessful. In June 2004, the U.S. House of Representatives passed corporate tax legislation (H.R. 4520) that included \$9.6 billion in compensation to quota owners and growers, and provided for an end to the federal tobacco program. In July the U.S. Senate passed its version of the corporate tax legislation, which also ended the current tobacco program and included \$11 billion in compensation. It also included legislation that would allow FDA to regulate tobacco products.

The two versions of the corporate tax legislation then went to a joint House and Senate conference committee, which successfully resolved the differences and released a report for H.R. 4520 that contained a tobacco buyout. The conference report for H.R. 4520 passed the House on October 7 and the Senate on October 11; the President signed the bill into law on October 22.

The buyout is funded for \$10.1 billion. Funding of \$9.6 billion is to be paid to growers and quota holders over 10 years. The remaining \$500 million is for use in disposition of stocks held by the grower associations and the Commodity Credit Corporation. Cigarette manufacturers and importers fund the buyout based on their share of the U.S. cigarette market. Since the 2004 crop year, there has been no federal program regulating tobacco production. However, the bill did not contain provisions for FDA regulation of cigarettes sought by consumer and health groups.

Together, the Master Settlement Agreement and the Tobacco Buyout legislation represent closure on tobacco production as it historically operated. Of course, while individual Kentucky farmers no longer are guaranteed a tobacco allotment or price support for tobacco, production of tobacco continues to thrive in the State as a market-driven industry rather than as a regulated commodity. The Master Settlement Agreement funding has provided significant resources for State policy-makers to address the dramatic shift in tobacco growing patterns across the state, while the Buyout legislation has provided resources directly to farmers, who no longer grow tobacco under protected status.

Initially, Kentucky established a “Tobacco Settlement Agreement Fund” into which funds received from the Master Settlement Agreement were deposited. In turn, the State determined

that 50% of the Tobacco Settlement Agreement Fund would be set aside for a Rural Development Fund, also known as the “Agricultural Development Fund” or ADF.

On April 26, 2000, the Kentucky Agricultural Development Board (KADB) was established to administer the ADF. The Board thus oversees the distribution of that portion of the monies from the Master Settlement Agreement that are dedicated to the purpose of diversifying Kentucky's agricultural economy. ADF investments are split between an allocation for county-level projects (35%), and projects throughout the state (65%). One hundred and eighteen of Kentucky's 120 counties receive a portion of the 35% county allocation. The specific funding level of a county is dependent upon its relative tobacco-production dependency to other counties in the state.

The Board's members include:

- » Governor, Chairman
- » Commissioner of the Kentucky Department of Agriculture, Vice Chairman
- » Secretary of the Cabinet for Economic Development
- » Director of the Cooperative Extension Service, (Dean of the University of Kentucky College of Agriculture)
- » President of Kentucky State University
- » Eleven (11) members appointed by the Governor serving staggered four-year terms. Appointments are subject to confirmation by the House of Representatives and Senate.

The staff of the Governor's Office of Agricultural Policy (GOAP) is responsible for supporting the activities of the Board and the ADF, including all accounting, financial and grant transactions, research, and policy recommendations.

Working through some 118 County Councils established by the HB 611 legislation, the Kentucky Agricultural Development Board created a formal investment strategy called Cultivating Rural Prosperity: Kentucky's Long-term Plan for Agricultural Development. This plan resulted from over 15 sectional meetings held across the state, in which hundreds of farmers and representatives from agricultural-related organizations and businesses participated. Regional meetings were followed by hearings conducted in Frankfort, at which diverse groups testified, including groups outside of agriculture, such as environmentalists. The Long-term Plan is available on the website of the Governor's Office of Agricultural Policy at [www.agpolicy.ky.gov](http://www.agpolicy.ky.gov) and continues to provide guidance to the activities of the Office and the KADB.

# Section One: Core Strategies and Recommended Actions to Drive Kentucky Agricultural Progress

## Introduction

The thrust of this plan is directed toward two overarching goals: increasing the net income of farm households across the Commonwealth in the post-Tobacco Settlement and post-Tobacco Buyout era; and strengthening the quality of life in rural communities. The Task Force views these two goals as inextricably intertwined.

The plan seeks to create conditions that will make farming attractive to “the next generation” of farmers — a major theme of input obtained at seven Public Forums held across the state. Next generation farmers can be found on, and are embracing both smaller and larger-scale farms operations — and nearly all farms in Kentucky remain family enterprises. Increasing net on-farm income and allowing established as well as first time farmers to prosper will ensure sustainability for land and for the resources on which Kentucky farmers depend. It provides the essential incentive for young farmers to remain in agriculture, or to seek careers in ag-related businesses throughout rural Kentucky.

Implicit in this plan is the need to continue — and indeed to strengthen — efforts by farmers and by the organizations that support Kentucky agriculture, to diversify the farm economy.

To accomplish this involves promoting additional livestock production and a broader array of crop farming that may include horticulture, forestry and biofuels, in addition to traditional fruits, vegetables and grains. It also must promote other non-traditional forms of farming such as aquaculture and development of agri-tourism — opportunities that now are being developed in many parts of the state.

Diversification of the farm economy and strategies to increase farm household incomes also must promote new technologies and farming practices. Value-added techniques for cultivation, food processing and marketing can help farmers capture a higher share of the consumer dollar, and provide a higher return on the farmer’s investment of time and money. Agribusinesses also are vitally important to the economies of the rural communities; they are a key source of employment for individuals coming from the regions that they serve.

Finally, this plan makes clear that education — at all levels, including continuing education for existing farmers — must receive significant additional attention from policy makers and administrators alike. Innovation, and greater focus and coordination of services, are as important as investing new financial resources to the success and effectiveness of the initiatives recommended by the Task Force.

The Task Force recommendations are grouped into seven topic areas:

- » Next Generation Farming
- » New Market Identification and Development
- » Regional Agricultural & Rural Community Development
- » Agricultural Education
- » Consumer Education & Outreach
- » Government Policies, Initiatives and Programs
- » Policy-maker Education & Outreach

In focusing on these topics, the Task Force remained true to its overarching vision to establish a consensus agenda that will address ways to increase farm family incomes and strengthen rural communities. This strategy does not prescribe specific diversification strategies or offer detailed actions for narrow segments of agriculture and farming. Rather it strives to recommend actions to improve the welfare of agriculture as a whole. Kentucky’s farmers and agricultural industry leaders are unified in their commitment to improving ALL of Kentucky agriculture.

# Next Generation Farming

---

*“There have been policy goals by previous Administrations and Congresses to increase the number of police officers and the number of teachers. Why not set a goal in the farm bill to add at least 100,000 new farmers in the next few years?”*

— Tom Vilsack,  
U.S. Secretary of Agriculture

---

## Issues & Strategy Statement

The Task Force recognized early in the planning process that “new faces” were at the table and in the room. “Established folks,” a generation of leaders who had worked on previous agricultural strategic plans, saw this as a sign of the vitality of Kentucky agriculture, and an opportunity to shape the focus of this plan.

Throughout the public forums across the state, the question came up time and again: “Next Generation Farmers... Who are they? Where are they coming from?”

For some, it may be a lifestyle rather than a purely economic choice. The Task Force heard, “It’s what they want to do. ... Young people want to do something they love.” But there is growing recognition that farming is attracting other groups such as retirees, or part-timer farmers. And added to this there are opportunities to promote

agricultural career options in urban areas as well as rural ones. A need was identified to catalogue the diverse career options that exist in “agriculture,” beyond the production side. “Next generation farming” includes related agribusinesses, for example.

Farming is an unusual business for a new entrant to get into, at a minimum because of its significant capital requirements. Yet a farming career needs to be seen as one that can be profitable and economically viable — no matter what its scale. For people considering a farming career — whether they are the children of farmers who grew up on farms, or people new to the profession — the key ingredients of the farming start-up process need to be understood. As one veteran farmer and agricultural leader noted, “when farmers make decisions based on emotion, they are not always good business decisions.”

Estate planning for farm families in transition presents a unique challenge relative to other types of family business succession planning. Because land ownership is involved with a defined place and history, family and emotional issues frequently come to the fore. And as an owner-operated enterprise, some farmers may never really retire in the classic sense. The timetable for transition thus becomes uncertain and hard to plan for. Some commodity groups have active programs for their memberships to help address these needs, but there appears to be no centralized local network of resources focused on this need.

The Task Force recognizes a need for mechanisms to connect retiring farmers with new farmers (regardless of their

age and backgrounds) and to facilitate transfer not only of land but the experiential knowledge of the financial, technical or marketing aspects of the farming profession. While models for information exchange, mentoring or other forms of training exist, this is an area needing additional research and thoughtful consideration, to determine the gaps and needs specific to Kentucky.

## GOAL

*Make farming attractive and accessible to the Next Generation of both full-time and part-time aspirants, including those from diverse, non-traditional groups including retirees, women, minorities and urban dwellers.*

## Specific actions

- » Encourage and facilitate intergenerational transfer of land through tax reform measures and incentives to retiring farmers who sell land to new farmers, as well as for new farmers entering the business; seek a balanced approach that benefits both sides. Design incentives that encourage students in college agricultural programs to return from college to enter farming.
- » Establish an inventory of career opportunities in all aspects of agriculture. Make this information accessible to young persons and other prospective audiences that might consider agricultural careers. Ensure that market demand for specific career tracks has been validated.
- » Promote mentoring of new farmers via existing Agricultural commodity groups, programs such as those at Kentucky State University, or those at other educational institution



## Conservation Delivery Streamlining Initiative — CDSI

NRCS has initiated CDSI in order to implement a more effective, efficient and sustainable business model for delivery of conservation assistance across the nation.

### Benefits to the Nation's Farmers, Ranchers and Taxpayers

Improving how NRCS serves our customers will benefit our land and producers by:

- » Reducing the average number of trips clients will have to make to an NRCS field office
- » On-line scheduling with Conservation Professionals
- » Increased use of electronic signatures and email
- » Technical & Financial Assistance Information easily available on-line
- » Instant messaging and audio-video telecommunications
- » Increased use of Social media (Twitter, Facebook, etc)
- » Enabling NRCS and clients to finalize conservation planning and decision making while in the field
- » Use of Customer Desktop software (cloud-based conservation planning software)
- » Use of Client Gateway (24/7 customer access to records)
- » Increased use of Smart-Phone & mobile device technology
- » On-Demand "how-to" videos, Conservation "Apps"
- » Increased use of LiDAR (Light Detection & Ranging) and other remote sensing tools
- » Accelerating the timeline between applying for a program and having a signed contract
- » Accelerating the time between applying a practice and receiving payment for that practice
- » Offering clients 24/7/365 service for many tasks
- » Through reduced document handling, reduced decision and approval times, improved access to best available information and technology, and staffing strategies that are aligned with streamlined process, internal and external customers will benefit from a business model that enables field technical staff to spend as much as 75% of their time in the field with clients, compared to the 20-40% now often reported. For everyone, CDSI will result in science-based conservation that is applied in the most efficient way to improve our nation's air, soil, water, wildlife, and energy use.

### Five CDSI Initiative Areas

- » Formally define, streamline, and integrate conservation assistance processes across Agency business lines.
- » Deploy information technology that more efficiently and effectively supports conservation assistance
- » To provide planners & technical staffs with science, data, and tools which are focused to support conservation planning and application
- » Provide programs through alternate staffing & delivery approaches designed around more efficient, client-focused business processes
- » Implement new processes for interacting with clients that are natural resource focused, enhance service, and increase efficiency

Draw on all communications tools and forums, including both social media and face-to-face support.

- » Develop new tools to promote farm transition and that support new farmers entering the industry. Establish a clearinghouse mechanism to promote matchmaking between retiring and new farmers, perhaps utilizing the nationally recognized "land-link" model program developed by the Center for Rural Affairs that had been adopted in numerous states. Involve CPAs and other professional advisors who may help facilitate matchmaking.
- » Build on existing programs such as those offered by the Community Farm Alliance, Kentucky Farm Bureau, the Kentucky Community & Technical College System's Adult Education Program and the state's universities that support and assist young farmers who have chosen the profession. Ensure that new farmers know about, and participate in, existing technical and financial assistance programs such as those available through the USDA Farm Service Agency, the Cooperative Extension Service, Farm Bureau, the banking community and various commodity organizations.
- » Support the local grass roots efforts of conservation districts by providing training and information to District Staff. Encourage local Soil and Water Conservation Districts to continue their long standing partnership effort at the local level by focusing on the service needed in their communities and by building staff capacity. The Natural Resources Conservation Service (NRCS) delivers conservation through the local districts.
- » Partner with and support Kentucky



### Kentucky Conservation Partnership's Field Office of the Future

The Field Office of the Future focuses on the overarching concept that every county, Soil and Water Conservation District, and land user of the Commonwealth seeking voluntary conservation technical assistance will receive that assistance. Our goal is to provide the highest quality product and service possible. The key is increased education of our clients: our services start on the farm or land unit, not at the office. Customers are encouraged to make appointments so that we can gather necessary information to start the resource inventory and analysis, and be prepared to provide the most effective and efficient service.

**The areas of focus are:**

- » Staffing and makeup of the field office, including “Farm Bill Implementation Teams” working in Kentucky
- » Office locations (tele-work, alternative work sites, “hoteling”}
- » Technology (CDSI, computing, LIDAR}
- » The role of the Partnership (federal, state, local}
- » Succession Plan; defining a future path that will be flexible based on funding and staffing

Conservation Groups that have goals to increase land conservation funding for working farmland. Successful farmland conservation programs make farmland more affordable for young farmers and therefore reduce the large capital investment barrier to farming.

- » Publicize success stories of agricultural entrepreneurs who “started from scratch” and did it on their own, so that prospective young farmers and new entrants to the industry can learn from these examples. Coordinate these efforts with educational programs in High Schools.

**GOAL**

*Enhance new farmer educational programming, building on programs operated by all agricultural organizations and universities.*

**Specific actions**

- » Focus recruitment of new farmers to existing Ag Leadership programs
- » Increase awareness of the UK Cooperative Extension Service’s “Kentucky Farm START” program, and provide sufficient funding to support its reach to more participants.
- » Build on and expand KSU’s new degree program in agriculture that is experiencing a significant diversity of students in terms of age as well as other demographics and career interests.

- » Promote voluntary conservation using USDA conservation programs via Farm Bill conservation programs.
- » Promote soil health strategies that encompass a conservation system approach to long-term agricultural & environmental sustainability. (Promoting healthy soil will result in healthy crops, healthy food, healthy economic returns, etc.)
- » Expand and diversify programs for new farmers to “learn the business” (e.g. apprenticeships with experienced farmers), to help them learn the management skills needed for success
- » Increase opportunities for bi-lingual and cultural awareness education of new farmers so as to increase their competitiveness in a changing marketplace

**GOAL**

*Enhance risk management and financing options in order to reduce barriers to entry for new Kentucky farmers, as well as to improve the financial viability of existing farms.*

**Specific actions**

- » KAC and its member organizations should be pro-active in educating state and federal policy-makers on the need for fairness, and for equal access by all Kentucky Farmers to crop insurance. Additional commodities not currently covered (e.g. livestock, fruits and vegetables, et al.) need some form of risk management insurance.
- » Provide educational materials / professional development programs for lenders on agricultural trends and practices so that they become more knowledgeable about agricultural lending. This can be done in coordination with universities and others who do lender training.
- » Provide tax incentives for farmers who sell land to new producers.

# New Market Identification & Development

---

*“As a young farmer, you have to think about it as a business, not just as a hobby or freewheeling it.”*

— Rusty Rumley,  
National Agricultural Law Center,  
remarks to Kentucky Agricultural  
Council’s 2012 Ag Summit

---

## Issues & Strategy Statement

The Task Force saw clearly from the beginning of the planning process the key role that new market identification and development would play in the strategy, as a companion emphasis to the focus on Next Generation Farming. The appreciation extended not only to new crops and markets but also to value-added opportunities for food processing.

The Task Force viewed the opportunities in terms of the following segments:

- » New crops / commodities for farmers to produce
- » New markets (buyers) for Kentucky output (local, regional, national or international)
- » New market segmentation, differentiation (e.g. value-added production)

Kentucky’s highly diverse geography and topography divide it into a number of distinct regions, and these differences are keyed also to a wide range of identified opportunities, including the following:

- » Bio-mass, bio-energy crops & bio-based products
- » Wood products (ranging from bio-mass to furniture)
- » Equine
- » Goats & Sheep
- » Specialty dairy (including sheep, goats, cheese processing)
- » Cattle finishing, processing
- » Aquaculture
- » Honey & Sorghum
- » Organics
- » Vegetables
  - Peppers (Banana, hot peppers)
  - Mushrooms
- » Fruit crops
  - Grapes (and wine)
- » Kentucky-branded Products
  - Paw-paws
  - Country ham
  - Bourbon
- » Agri-tourism
- » Specialty / niche products (e.g. Chia)
- » Food banks

Farmers trying to develop or tap new markets face challenges of scale, critical mass, logistics, regulatory issues —

“all the pieces have to be there for these efforts to succeed” or else the identified market opportunity doesn’t go anywhere. In the words of one participant in the Public Forums: “It’s not as easy as you think.” New markets, e.g. for vegetables, can get flooded — this poses a challenge for new producers. And regulations can pose barriers for public and non-profit institutions seeking to buy directly from producers.

The emphasis on promoting “buy local” and Farmers Markets is a good strategy for producers who are not yet ready to market on a larger-scale regional, national, or international basis. Kentucky farms are more diversified than people realize. Although not as diversified as in the past (e.g. 1950s or 60s), most Kentucky farmers are involved with several products and do not rely on pure mono-culture: typically livestock raising is combined with cultivation of multiple crops. The business model depends on cash flow from one product, helping pay costs to start another on seasonal rotations. Therefore, there is openness to innova-

## SIDEBAR

### Support for Agricultural Entrepreneurship — KCARD

The Kentucky Center for Agriculture and Rural Development (KCARD) is a 501 (c)-3 non-profit organization established to facilitate agricultural and rural business development in Kentucky. KCARD is supported through grants from the USDA Rural Cooperative Development Grant program and the Kentucky Agricultural Development Fund. KCARD provides hands-on technical assistance to new and existing agriculture and rural businesses and by providing relevant educational opportunities addressing agribusiness challenges and issues.

The organization facilitates new economic opportunities for Kentucky’s agricultural and rural businesses through business development and assistance with the expansion and stabilization of existing rural businesses. Available resources are limited and staff are not able to meet the demand of businesses seeking assistance.

### Technical Assistance for Value-added Processing: The Food Systems Innovation Center at the University of Kentucky

The Food Systems Innovation Center (FSIC) was established with a grant from the Kentucky Ag Development Fund in 2009 at the University of Kentucky College of Agriculture, to assist producers and businesses by providing technical services to develop value-added products. FSIC serves Kentucky’s farmer entrepreneurs and food manufacturers grow their operational capabilities and address their product development, marketing, quality assurance and training needs.

To date FSIC has served over 400 clients, carrying out over 2,000 analytical procedures. Critical services include: process review, shelf life testing, nutritional labeling, market research activities, feasibility assessments and focus groups.

FSIC’s strategic plan includes providing technical support for startup businesses that can grow to require larger scale manufacturing capabilities that deliver higher returns on investments through agricultural crop utilization and job creation. To deliver on this effort FSIC needs sustained investments to network existing facilities through strategic capacity building, cost share opportunities for high potential businesses, expand access to training and provide start up support to expand business diversification and entrepreneurship.

tion and a need by many farmers to identify specialty items that fill a niche within their calendar and promote maximum utilization of all their land and equipment resources.

Access to technical assistance and market information for producers was identified as a significant barrier to entry for many farmers who are seeking to diversify from their reliance on traditional livestock and crops. Lots of information and educational resources exist among various existing organizations but accessing it poses challenges for individual producers. Task Force members asked how can we embrace technology to push more information out about these opportunities? Existing services themselves are good, but capacity issues constrain the level of service that can be provided, and producers still have challenges knowing where to turn for information.

**GOAL**

*Increase on-farm incomes and strengthen economic vitality of rural areas through continuous*

*identification and development of new market opportunities.*

**Specific actions**

- » Encourage and support research and development into new market opportunities that foster expanded production and increased sales though:
  - Specific markets & products
  - Value Chains
  - International exports
  - Domestic sales to buyers outside of Kentucky
  - Increase sales of Kentucky products to Kentucky buyers, Consumers / Institutions
  - Best management and marketing practices
- » Provide / disseminate information on existing research about new market production and marketing opportunities, and about existing available resources to assist producers, by establishing a clearinghouse mechanism that is easy to use and accessible to all Kentucky farmers and agribusinesses.
- » Build and expand on the model programs and services offered by

### Opportunities for Industrial Hemp May Promote Continued Diversification

The Kentucky Department of Agriculture, led by Commissioner James Comer, is supportive of the effort to legalize industrial hemp in Kentucky, which would create new opportunities for farmers and jobs for Kentuckians. If there is a change in federal law, Kentucky could be positioned to take advantage of this development.

**Benefits to Farmers**

- » Kentucky could capture a significant share of the industrial hemp industry.
- » Hemp meets the needs of Kentucky’s horse industry by providing affordable animal bedding.
- » Kentucky’s long growing seasons and appropriate soils make industrial hemp profitable.
- » If Kentucky becomes the first state to legalize industrial hemp, it will have a long-term advantage over other states in establishing the industrial hemp industry.

KCARD and other groups, to establish an “Ag Partnership Business Network” that can:

- Increase producers’ knowledge of diversification opportunities through classes, networking, technical assistance, etc.
- Improve understanding by producers of wholesale & retail buyers’ expectations
- Provide “market-ready training” through programs, such as those at the Kentucky Farm Bureau.
- Increase opportunities for producers and agribusinesses to develop business skills
- Provide technical assistance to producers about regulatory

information, in order to reduce the financial and time cost barriers to entering new markets.

- Provide education about collaborative models for marketing and distribution.
- » Continue and expand support for diversification through value-added production.
  - Support continued development of existing programs such as the University of Kentucky’s Food Systems Innovation Center, and establish new regional infrastructure and capacity to support value-added production throughout the state — e.g. processing facilities and/or commercial kitchens on a regional or mobile basis that fill gaps in current service delivery capabilities.
- » Promote new international trade opportunities for Kentucky products for:
  - All commodities and product areas
  - All value-added items
- » Strengthen and support agricultural Research and Development assets throughout the state as the platform for developing new agricultural opportunities and value-added products, as well as more productive and profitable farming.
  - Promote and coordinate investments in agricultural research at the Commonwealth’s universities that lead to the development of advanced agricultural technologies and processes with the potential to benefit Kentucky producers.
  - Establish partnerships with the State’s various public and private economic development entities to promote commercialization of agriculture-based technologies discovered at Kentucky universities, to tap their significant market potential and economic Return on Investment.
  - Work with the USDA Agricultural Research Service within the state

### Accessing New Markets — Export Opportunities for Kentucky

Kentucky agriculture is very dependent on international markets and this importance is growing. Historically, Kentucky has ranked in the middle of all U.S. states in terms of export sales. But under a new USDA methodology for measuring export value, Kentucky is the fifth most trade-dependent state in the United States. According to the revised methodology, Kentucky exported nearly \$2 billion of agricultural commodities and related products in 2010, representing 45% of total Ag cash receipts and approximately 10% of total Kentucky exports.

Historically, horses and tobacco have been Kentucky’s top two Ag exporting enterprises. But strong export demand for beef, poultry, pork, and grains have contributed to the higher prices and overall profitability of these commodities in recent years and the overall growth in the Kentucky agricultural economy. Kentucky agricultural exports follow U.S. agricultural export trends that achieved a record export value for 2011 of nearly \$140 billion.

With 95% of the world’s population and over 75% of the world’s purchasing power residing outside of the United States, the issue becomes whether Kentucky be in a position to take advantage of these increasing global opportunities.

### Translating Agricultural Research into New Business Opportunities: Ag Innovation Showcase at the Danforth Plant Science Center

The 4th annual Showcase drew Ag innovators from 11 countries to St. Louis and took place against the backdrop of serious concerns threatening agriculture. The event facilitates dialog and deal-flow between Ag industry leaders, emerging innovators and investors in ag-bio, renewable energy, sustainable materials, food production, animal health and farming technologies.

Widespread drought, population explosion, food scarcity and exotic variants of pests, among others, were topics of discussion and consideration. Attendees learned about new approaches to precision agriculture, and technologies to help increase yields, to create disease-resistant crops, to lay new foundations for research in nutrition and to identify new plants and utilize existing ones as promising sources of bio-fuels. A major theme was the rise of information technology in agriculture and allied fields, and the considerable advances in monitoring farms to precisely regulate inputs, to manage herds, to identify and control disease and to deal with the reams of data which, in turn, contribute to greater — and faster — analysis and decisions.

- to expand the range of research activities being undertaken and to capitalize on this federal asset.
- Identify and promote access to regional and national venture capital and investment capital that is specialized in commercializing agricultural research and development.

- Engage Kentucky’s private sector agricultural companies and establish partnerships with national agricultural companies to strengthen Kentucky’s profile as a location for agricultural research, including field research.

# Regional Agricultural and Rural Community Development

---

*“Every farm is unique  
... there are no cookie-  
cutter farms in Kentucky  
that I know of.”*

— Mary Courtney, Courtney Farms,  
speaking to KAC’s 2012 Ag Summit

---

## Issues & Strategy Statement

Five years ago the Task Force on the Future of Agriculture and the Kentucky Agricultural Development Fund started down this road toward a regional approach to agricultural and rural com-

munity development. In the intervening period, we have had some successes but the Task Force determined that these issues and their related opportunities deserve renewed emphasis.

Because of Kentucky’s unique geography and topography, innovative agricultural development projects aimed at diversifying agricultural production and creating new opportunities for value-added agriculture need to go beyond county borders to achieve critical mass and economic viability. If such projects are not done on a regional basis, their chances for success are extremely limited. However, given Kentucky’s 120 counties and our history

and culture of local rivalries, we must work to change attitudes in support of regional strategies.

Value-added agribusiness is an important economic engine in rural communities that should be supported. Some are growing and helping their local economies. However, whereas much of this plan focuses on “local” and opportunities for smaller scale aspects of agriculture (e.g. farmers markets), food processors already in the state need significant levels of inputs that must come from a wider geography.

It is imperative that leadership within every region of Kentucky assess its resources and identify ways to further engage the agricultural community in creating investment, employment, and prosperity for their communities. Our state’s woodlands, forages, crops, and even idled acres make every region of the state a candidate for greater involvement in the production of bio-energy. When our land base is coupled with our transportation and energy infrastructure, dynamic academic and research community, productive farmers, strategic geographic location, and other assets, our state can emerge as a national leader in renewable energy production.

Pressures from urban development on agricultural land is a significant problem for the State’s agricultural colleges and their respective Ag research farms. All of these operations could use additional acreage but that would require them to relocate further from their main campuses, which is a challenge for faculty and students. Ag School farms are good neighbors and set an example of how farms and housing can co-exist.

SIDEBAR

## Agricultural Experiment Stations Serve Kentucky Regions

University research farms have played a critical role in agricultural research and development for generations. Each of the state’s regional universities that have an agricultural focus own and maintain these farms as a key asset, and a meeting ground between the activities of faculty, students, and their communities at large.

As a land-grant university, the University of Kentucky has been contributing to agricultural productivity for over 140 years. Modern agricultural research also involves new discoveries in diverse subjects that include gene science, food safety, and rural communities. In addition to its main campus activities, U of K serves several regions of the state through key facilities and operations, including:

- » The Robinson Center for Appalachian Resource Sustainability functions as the center for agricultural and forestry activities in eastern KY. It includes the nearly 15,000-acre Robinson Forest and the Wood Utilization Center.
- » The Princeton Research and Education Center is the center for agricultural activities in western Kentucky, including research, diagnostic testing services, and educational programming.
- » Additional research facilities are located in central Kentucky: The 1500 acre Little Research Center in Woodford County is currently the home to beef, swine, and sheep research. Coldstream Farm houses dairy and poultry research units. The Equine Research Campus is located at Maine Chance Farm. Additional research activities are conducted at Spindletop Farm and Eden Shale Farm.



## West Kentucky Ag Bioworks initiative

The West Kentucky AgBioWorks Initiative was formed at Murray State University's Regional Business Innovation Center. The program is a joint venture by West Kentucky Center for Emerging Technology, MSU's Regional Business Innovation Center, the MSU Hutson School of Agriculture, College of Science Engineering and Technology, College of Business, the Regional Stewardship and Outreach Office and Memphis AgBioWorks Foundation and BioDimensions, Inc.

The initiative is designed to implement the results of a five-state, 98-county study conducted by the Battelle Technology Partnership Practice and led by the Memphis Bioworks Foundation. The study surveyed entities in western Kentucky and concluded that there is significant opportunity and need to develop biomass businesses, ensure that farmers and foresters have profitable opportunities and commercialize alternative sources of energy such as oilseeds, sugar crops, and other biomass crops as well as trees.

West Kentucky AgBioWorks focuses on positioning western Kentucky as a leader in the future bio-economy where the basic building blocks for industry and the raw materials for energy derived from renewable crop and feedstock assets will create new jobs and help to improve the quality of life in the region. The bio-economy is an emerging global sector that involves using renewable agricultural and forestry materials to replace petroleum in the development of bio-based products, while increasing the availability of healthy-local food. The new industry is considered one of the fastest growing economic sectors in the world and is projected to be a \$125 billion global market.

During the past two years, the Kentucky Agricultural Development Board (KADB), staff of the Governor's Office of Agricultural Policy (GOAP) and many others in agriculture responded to Governor Beshear's challenge to take a fresh look at the Kentucky Agricultural Development Fund (KADF) for opportunities that will lead to greater profitability for our farmers. The Governor urged agricultural leaders to identify opportunities that create or expand markets for farmers; to build on core assets of the various geographical regions of the state; and to foster agricultural entrepreneurship and agribusiness development.

Through a series of regional KADF Forums, the board and staff solicited input from stakeholders in finding ways to address the challenge. Further, the KADB reviewed Kentucky's under-utilized assets, opportunities for county and regional collaboration, and existing successful ventures. This work ultimately led to setting five priorities to guide programs and funding for 2012 as follows:

- 1) capital access for economic development;
- 2) promotion of the KADF and agriculture;
- 3) value-added processing;
- 4) livestock marketing;
- 5) on-farm investments.

In the year since establishing these priorities, investments have been targeted at these priorities areas. However, the impact of the projects funded will not be determined for some time. The KADF will continue to assess its priority areas while maintaining a focus on the guiding principles for investment and feedback from stakeholders.

The Task Force and KAC have monitored these efforts by the KADF to promote a regional approach to development, and continue to strongly support goals that address this end.

### GOAL

*Encourage region-specific agricultural development projects and initiatives through funding from the Agricultural Development Board.*

### Specific actions

- » County Agricultural Development Councils will, in consultation with other regional entities (Extension Districts, Area Development Districts, Economic Development Councils, Innovation and Commercialization Centers etc.) consider and develop projects or initiatives for potential funding through the Kentucky Agricultural Development Fund (KADF).

- » The KADF will strengthen and formalize its efforts to encourage County Councils to pool resources in funding regional projects (processing facilities, multi county veterinary services, regional stockyards and others).

### GOAL

*Promote agriculturally related Community & Regional-based planning & development; assist rural communities in addressing challenges and opportunities associated with expansion of urban and suburban localities into rural areas.*

### Specific action

- » Urge Kentucky policy makers to consider utilizing tax credits as a means of promoting farmland preservation, in order to address the loss of productive land available for Kentucky farmers due to various forms of

development (including residential, industrial, recreational land use, as well as Federal programs which may remove up to 25% of open cropland).

## GOAL

Adequately fund the State's Agricultural Experiment Stations and University Farms to cover the costs of deferred maintenance on facilities and provide adequate funds for new programs.

## Specific action

- » Support and enhance the role of all university Research Farms in each region of the state, building on the opportunity they present as catalysts and hubs for regional strategies; assist them in addressing financial, land use and other challenges they face in their respective regions.

## GOAL

*Engage the Kentucky Economic Development Cabinet as a full partner in planning for and promoting agriculturally-related economic and community development activities in rural areas of the Commonwealth.*

## SIDEBAR

### Community and Economic Development Support for Rural Communities

The Community and Economic Development Initiative of Kentucky (CEDIK) was formed in 2010 by the University of Kentucky College of Agriculture. It is a consolidation and strengthening of the former UK Cooperative Extension Community and Economic Development program. As such, it helps Kentucky's communities take on their most serious needs.

The initiative seeks to empower individuals by engaging community members, incorporating the interests and cultures of the community in the development process and enhancing the leadership capabilities of community members, leaders and groups. CEDIK offers technical assistance in terms of facilitation, leadership development, data analysis, entrepreneurship training, strategic planning, evaluation methods and programs and expertise to help strengthen your community.

Often the door to a community is through its county Cooperative Extension office. Members of the initiative work with county extension agents in family and consumer sciences, 4-H youth development, agriculture and natural resources and fine arts, in addition to elected officials, non-profit organizations, and community groups, to integrate community and economic development into their programs.

## Specific actions

- » Initiate a dialogue with the Kentucky Economic Development Cabinet to discuss agricultural business trends and entrepreneurship issues, and identify and share ideas regarding opportunities for economic development in rural areas within the current structure of agriculture.
- » In addition to job creation, encourage the Economic Development Cabinet to consider revenue creation as a criterion for providing economic incentives to producers and processors of agricultural products.



# Education

---

*“We see ourselves, first and foremost, as agricultural ambassadors ... Our branding as Kentucky Proud’ makes us who we are. We have so much support from our community that it is crazy to see how far we’ve come.”*

—Carl Chaney, Chaney’s Dairy Farm

---

## **Issues & Strategy Statement Youth Education**

As Kentucky’s public schools strive to prepare the next generation of students for work and to become fully informed and participating citizens in an ever more complex society, the issue of education about agriculture — as well as education in agriculture — deserves a fresh look by the state’s educational policymakers and agricultural leaders.

The Task Force believes that Kentucky must provide all students in primary and secondary school systems with the opportunity to:

- » learn where the food they eat comes from;
- » actively engage in learning about agriculture and natural resources;
- » be presented educationally-based facts about controversial agricultural issues; and
- » appreciate the important role that agriculture plays in our economy and our society.

It also is vitally important to the future

of Kentucky agriculture that our youth be exposed to the expanding number of diverse career opportunities available within the agricultural industry.

The need to start Ag Education and Ag Literacy early — at elementary and middle schools — cannot be overemphasized. Enrichment programs delivered by outside organizations can and do provide “hands-on” experiences with agriculture, like visiting working farms and growing gardens. There is evident need for expanding the reach of Ag Literacy education at the middle school level — versus providing just career information.

The opportunity exists to reach young people with information about farming that can lead to an appreciation of potential careers not only in farming but also in a wide range of Ag careers off the farm. However, more can be done in cataloguing and validating demand for the wide range of career track opportunities that exist.

Several examples of successful agricultural education programs exist currently in our K-12 school systems, including secondary Agricultural Educational / FFA programs, the Kentucky Department of Agriculture’s and Kentucky Farm Bureau’s Ag in the Classroom programs, and 4-H. However, Agricultural Education programs are not available in every school system. The metropolitan areas of Louisville, and Covington, along with several “mountain” counties and most independent school districts have little to no access to Agricultural Education.

In addition, “formal” Agricultural Education programs are noticeably absent in most middle schools,

although a variety of commodity groups provide resources for agricultural education outside the classroom after hours, on weekends and in the summer.

A variety of misconceptions persist about the content of agricultural programs, the academic skills of agricultural students, and career opportunities within agriculture. As future generations become even further removed from their connections with farming, the challenge of maintaining and expanding Agricultural Education programs for our youth will continue to escalate amidst tightening budgets, unless action is taken immediately to address this issue.

For these reasons, the Task Force strongly believes that Agricultural Education should be viewed as vitally important to the ultimate goal of providing every child in the Kentucky school system with an enhanced exposure to the role of agriculture in our society, and to its increasing career opportunities. To that end, the focus of the 2009 Senate Bill 1 has led to a new accountability system through its initiative, “Unbridled Learning: College and Career Readiness for All.”

## **Issues & Strategy Statement Adult and Continuing Education**

Access to information and the advancements in technology are impacting agriculture at unbelievable rates. While producers are inundated with unprecedented amounts of data and sophistication, understanding the relevance and the credibility of these resources is becoming increasingly challenging. Agriculture is becoming more complex and competitive on a daily basis.

While these statements are true for all farmers, they resonate all the more loudly for beginning farmers, a key focus of this strategic plan.

The future success of Kentucky agriculture therefore depends both on increasing the number of graduates from post-secondary institutions in a diverse set of agricultural-related fields, and on expanding access to continuing education opportunities for farmers and other agricultural professionals. Education professionals at all levels of the delivery system must evaluate the most efficient and effective methods to help Kentucky farmers retain and improve their competitiveness in an increasingly global marketplace.

While Kentucky farmers currently are benefiting from enhanced markets for many traditional products, the agricultural sector is being increasingly challenged by global competition; the decline of government support programs; issues of labor availability and cost; the rising cost of energy and inputs such as feed and fertilizer; tighter regulation (environmental, animal care, biosafety); as well as by the demands of ever more discriminating buyers and consumers.

To meet these and other challenges, Kentucky farmers must constantly reeducate and inform themselves. For example, they must learn to position themselves to take advantage of emerging opportunities such as grain-based fuels, cellulosic ethanol, crop-produced pharmaceuticals and biochemicals, ag-related tourism and recreation, and organic and other value-added food products. In the “post-Tobacco Buyout era,” the process of diversification is only begun, not completed. Not only must farmers evolve their crops and production methods: to be successful, they must also become more entrepreneurial in their approach, adopting modern business practices and new technologies.

Consequently, the role of educational and research organizations in providing access to information about improved production, marketing and quality-enhancing practices and technologies is increasingly important. Farmers also need timely and convenient access to information about government programs that improve net farm income for traditional enterprises, as well as to government sources of technical expertise and education on emerging market opportunities. Producers must learn how to embrace the best opportunities

available through advanced research and development taking place in our higher educational establishments as well as industry, while also being sensitive to an international market focused on sustainability.

The Task Force recognizes that establishing new and more effective Ag educational programs will require additional resources — not only financial, but also highly committed volunteer leadership.

## GOAL

*Promote, advocate for, and expand the number of schools offering Agricultural Education programs by linking the contribution of Agricultural Education to “Unbridled Learning” College & Career Readiness For All, Kentucky’s new accountability model.*

## Specific actions

- » Start new Ag Ed programs in communities without them
- » Enhance existing Ag Ed facilities to improve educational outcomes
- » Magnet / Academy models (urban / rural)
- » Update / upgrade the Ag Ed curriculum, including by incorporating and expanding the use of technology (distance learning; self-educational modules)
- » Provide tuition support to encourage professional development for teachers through the CASE program (Curriculum for Agricultural Science Education)
- » Encourage Ag Ed teachers to tie their educational content to the core competency content.
- » Work with outside groups to supplement educational opportunities and address the gap between Middle and High School educational programs.

## GOAL

*Promote education in agriculture across all age and generational groups, including youth-oriented*

### Locust Trace — A Magnet High School Program

Locust Trace AgriScience Farm is the newest career and technical high school in Lexington, Kentucky with energy and environment being key factors in the facility design and agriculture being the educational focus. It features spacious classrooms with adjoining labs, 6.5 acres for gardening, a state-of-the-art greenhouse with an aquaculture area for raising native fish, a soaring auditorium with a garage door for bringing in livestock and machinery, an expansive equine barn and arena and an on-site veterinary clinic.

Students study in one of five programs: Intro to Agriculture, Environmental and Wildlife Science, Agriculture Power Mechanics, Equine and Vet Science, and Small and Large Animal Science. The school is designed to be net-zero in energy through the use of photovoltaic solar panels and net-zero in waste disposal through the utilization of constructed wetlands. Rainwater is collected from the classroom building and the equine barn/arena to be utilized for crop irrigation and livestock watering. An on-site well has been accessed to back up the rainwater collection system in case of a drought. Sustainable agriculture is a focus in all programs.

*agricultural education and efforts to increase participation of non-farm families.*

### Specific actions

- » Convene a summit of all organizations involved in the delivery of Agricultural Education programs and services in order to centralize information about existing programs and capabilities, and to identify potential gaps in service delivery and areas of need.
- » Develop a Clearinghouse Model (Year 1) for coordinating the delivery of educational programs and services among all commodity groups and agricultural agencies, including:
  - Youth activities
    - › 4H, FFA, Ag in the Classroom, school and community gardens, programs operated by Kentucky Farm Bureau Young Producers' Council, Cattlemen's Association, Dairy organizations, Kentucky Department of Ag outreach programs, et al.
  - Secondary Level Ag Education
    - › 4H, FFA, IFAL Classroom Instruction, Supervised Ag Experience Programs
  - Post-secondary Ag Programs
    - › Certificate programs, advanced degrees, KCTCS
- » Emphasize opportunities for on-line educational programs
- Focus on ways to make agricultural education accessible to part-time farmers and to meet the post-college and continuing education needs of young and beginning farmers.
- » Promote and implement the Model (Year 2 and Beyond)

### GOAL

*Promote existing and emerging career opportunities in a broad range of agricultural occupations, from farming to agribusiness. Seek ways to reach non-traditional audiences who may become part of "next generation farming."*

### Specific actions

- » Establish an updated, broadly defined and validated inventory of career opportunities in agriculture. Make this information accessible to young persons and other prospective audiences that might consider agricultural careers.
- » Educate PARENTS about academic program options available and apti-

## SIDEBAR

### New Career Opportunities in Agriculture

The Kentucky Master Gardener Program is administered through the Cooperative Extension Service of the University of Kentucky with assistance from the Kentucky State University Land Grant Program. Master Gardener Programs are currently active in over 25 Kentucky counties. Individual Master Gardener programs are under the direction of a county extension agent (or group of agents if the program involves multiple counties) who is responsible for Master Gardener recruitment, training, and volunteer management. A required "core content" for Master Gardener training includes a total of 24 hours of instruction in basic plant science and an orientation to Cooperative Extension. To become certified Master Gardeners, trainees must complete assigned homework, pass a comprehensive final exam, and complete at least one hour of volunteer service for each hour of formal instruction.

tude tests kids will be taking from 6th grade on, as an opportunity to identify interest in agriculture

### GOAL

*Encourage strong advocacy among KAC Members for Ag Education and related programs.*

### Specific actions

- » Promote alignment of support between School Boards, Principals, Site-based Councils, Counselors and Teachers to ensure that Ag Education curriculum meets Core Competency standards.
- » Replicate specialized model programs such as the Locust Trace Agriscience Farm where appropriate, and where community scale and demand warrant.

## SIDEBAR

### Kentucky Equine Higher Education Consortium

The Consortium is the result of a unique collaboration among Kentucky universities and colleges with equine programs, which banded together to let the world know there is no better place to pursue an equine education than in Kentucky.

If Kentucky is known as the horse capital of the world, the schools thought the state could also make a case for being the equine higher education capital of the world. The University of Kentucky's Ag Equine Programs (formerly known as the Equine Initiative) and the University of Louisville's Equine Industry Program led and funded the collaboration.

This unique cooperation benefits both the equine industry and Kentucky taxpayers. It also enables other private and public colleges in the state that offer an equine curriculum to benefit from this collaboration. These include Asbury University, Georgetown College, Midway College, Morehead State University, Murray State University and Western Kentucky University.

# Consumer Outreach

---

*“We need to look at our social contract somewhat differently ... we need to be at the table to address the social model that integrates the needs of society with the needs of agricultural producers.”*

— Dan Dooley, Senior Vice President  
External Relations, University of  
California, speaking to Kentucky  
Agricultural Council’s 2012 Ag  
Summit

---

## Issues & Strategy Statement

Task Force members returned to a major theme of the 2007 Strategic Plan with diverse perceptions, but with a shared sense that the need to connect with today’s consumers remains a significant priority.

Opinions among Task Force members varied on the best ways to achieve the goal of Consumer education and outreach, while members generally agreed that “Ag literacy” among consumers is a desirable outcome. A majority of the Task Force expressed the view that consumers — in short, the general public — should be helped to better understand the specifics of agricultural production, for example, its costs, economics, the challenges of dealing with environmental regulatory issues, etc. At issue, fundamentally, is not simply how to market Kentucky products to consumers, but the more complex question of how to influence various consumer audiences to increase their

support for Agriculture — whether by buying Kentucky-grown products or by supporting Kentucky Agriculture in terms of policies.

Task Force members and participants at the Public Forums alike generally share a concern that today’s consumers do not hold accurate perceptions about what farming really is like — its challenges in terms of its economics and its lifestyle, as well as its opportunities, benefits and appeal.

One observer commented on “the myth of the happy farm ... that is not the reality.” Another producer expressed frustration that “People seem to forget: farmers are in business to make a profit, not just to ‘feed people.’” Like entrepreneurs and business people everywhere, farmers are financially motivated and must maintain economically viable operations in order to continue their chosen vocation. Many commented that even in rural areas of the state, people don’t seem to understand the importance of Agriculture.

Other Public Forum participants saw the issue in terms of educating the public about the use of “technology” in agriculture — how technology can make agricultural practices more efficient while also making the food supply safer. Producers see a gulf between their own experience and understanding of the science and practices of agriculture, versus concerns by consumers with the impact of technology on farming. This debate extends to the subject of GMO innovations, which some see as an issue that “Ag Literacy” initiatives should seek to address.

KAC members and Task Force participants themselves reflect diverse facets

of Kentucky agriculture; therefore, understandably a different focus emerges between a view of consumers as a primary market for locally grown products — hence an interest say, in promoting healthy eating — versus the view of consumers as an audience needing to be educated regarding agricultural best practices and economic realities. Task Force members and Public Forum participations spoke passionately and eloquently on the need to “narrow the gap between the different production models of agriculture” and to promote the idea of co-existence when communicating with consumers, stressing the positives of how all products are produced and the benefits that all agriculture brings to the Commonwealth.

Thus the Strategic Plan recommendations reflect and prioritize both of these imperatives. Task Force members worked to meet the challenge of creating and communicating a “unified message” about Agriculture within the framework of a Kentucky-focused consumer outreach agenda.

As one participant put it, “Everybody eats.”

## GOAL

*Engage with Kentucky consumers to increase their trust in the state’s Agricultural producers & products. Build consumer appreciation of the benefits of agriculture economically to the state as a whole and at the individual county level, and in terms of its role in ensuring the sustainability of Kentucky’s culture and a rural lifestyle.*

## Coordinated Communication and Consumer Outreach

The Governor’s Office of Agricultural Policy (GOAP) has partnered with the Kentucky Broadcasters Association’s Public Education Partnership (PEP) program to increase the awareness of Kentucky agriculture and highlight the integral role farm families play across the Commonwealth. Through this program, radio and television spots will be played in every market of the state. In each spot, you will hear the tag line, “Kentucky farm families, feeding Kentucky, feeding the world.”

This initiative also has allowed GOAP to have a very special partnership for the PEP program, leveraging Kentucky Agricultural Development Funds with three leading livestock commodity groups: the Kentucky Cattlemen’s Association, Kentucky Pork Producers and the Kentucky Poultry Federation. To view the commercials used in this initiative please visit the Governor’s Office of Agricultural Policy website at [agpolicy.ky.gov](http://agpolicy.ky.gov).

### Specific actions

- » Ensure the long-term continuity of, and benefits from, the Kentucky Department of Agriculture’s Kentucky Proud Program.
- » Strengthen the Kentucky Proud brand and its message. Make the Kentucky Proud logo more visible everywhere as a part of the overall marketing strategy.
- » The Kentucky Department of Agriculture should establish a committee consisting of consumers, producers, processors, distributors, retailers and policy makers to serve an advisory role in helping to develop programs and operational plans, and to support their implementation. Recommend guidelines to ensure that future expansion of Kentucky Proud promotional efforts build and protect the program’s “brand equity” and positive image.
- » Build on Kentucky Proud’s existing strengths to expand its name recognition and consumer appeal in regions of surrounding states that border Kentucky.
- » KAC member organizations should encourage their own members to

support the Kentucky farm license plate voluntary donation program as an additional funding stream to support agricultural educational and promotional activities. (Proceeds from a \$10.00 donation when renewing their farm licenses are equally split between 4-H, FFA, and Kentucky Proud.)

### GOAL

*Seek out new opportunities to establish two-way communications with consumers so that agriculture can better understand the wants and concerns of consumers and more effectively communicate about the agricultural sector with consumers.*

### Specific actions

- » Determine ways to gauge consumer attitudes toward Kentucky Agriculture and Kentucky agricultural products; draw on pre-existing data and customize it to identify Kentucky-focused needs and opportunities.
- » Establish a unified approach to building a consumer dialogue with

KAC member organizations through a “clearinghouse” concept, to identify and help coordinate existing initiatives.

- » Build on and coordinate existing KAC member public awareness, marketing and promotional efforts, including KADF-supported initiatives (such as the consumer-oriented videos produced during 2012). Emphasize social media tools and capabilities for communicating these messages.
- » Implement a coordinated Speakers Bureau strategy with and among KAC members — including development of an “Ag Elevator Speech” — to deliver Agriculture’s message to consumer and general audiences. Deliver a unified, positive, consistent, informative message about agriculture that cuts across organizations, while acknowledging the general value of Agriculture.
  - Examples of existing programs include:
    - › Pork Producers (Main Street)
    - › Livestock Coalition (Common Ground; Kentucky Farmers Care)
    - › Farm Bureau (LEAD)
    - › Dairy Spokesmen Network
    - › Ky Ag Leadership Program
    - › Ag Business Association
    - › Community Leadership Groups
    - › Cooperative Extension Service Agents
    - › Adult Ag Teachers
- » Develop and promote a state-wide youth agricultural leadership program (along the theme of “Ky County Ag Ambassadors”)



# Government Policies, Initiatives & Programs

---

*“Agriculture is important to national security.”*

—Julia Freedgood, American Farmland Trust, remarks to Kentucky Agricultural Council’s 2012 Ag Summit

---

## Issues & Strategy Statement

The responsibility of State government should be to assume its historic obligation to use General Fund dollars to support basic agriculture and rural development programs, recognizing that the intent of HB 611 was for Agricultural Development Fund dollars to be directed toward strategic investments in new and expanding agriculture initiatives, designed to ensure the diversification of Kentucky Agriculture following the Master Settlement Agreement.

Therefore, the number one priority of this Strategic Plan is that the State recommit itself to its original goals and intent, and restore a level of 50% of the Master Settlement Agreement proceeds allotted to the Agricultural Development Fund. This represents an overarching consideration for the Plan, as many of its most critical and innovative recommendations would otherwise be impossible to fund and implement.

This sense of urgency comes from the fact that Ag Development Fund dollars are being extensively tapped for other non-agricultural purposes. Large amounts of the Agricultural portion of Master Settlement Agreement funds are going to service debt on projects that do not directly increase net farm income — such as rural water lines, sewer lines and municipal sewer

systems. This policy is not consistent with the purpose and intent of the KADF’s creation, and therefore these projects must be financed through the General Fund. If this funding is not restored, the KADF will not be in a position to fund the types of worthy regional projects and initiatives proposed throughout this plan.

As an example, strategic investments have never been more important to help farmers capture emerging opportunities in the area of bioenergy and renewable fuels. The Kentucky Agricultural Development Fund helped foster both a successful ethanol and a biodiesel facility through its grant and loan programs. Additional funding will be needed to help develop similar projects that utilize biomass and other agricultural resources for the production of energy. Research investments are needed to help identify methods of growing energy crops on marginal and idled acres throughout the state.

In addition to General Fund support for agriculture and rural Kentucky, it is also vital to have the support from the State Regulatory Agencies and favorable and fair tax policies. This will encourage growth and development of an ever-changing agriculture, which, in turn, will enhance Kentucky’s rural communities. Also, with approximately 20% of Kentucky’s net farm income originating from various federal government payments, Kentucky’s Congressional delegation must continue to pursue federal program opportunities, which will benefit Kentucky’s farmers and rural communities.

All Kentucky Regulatory Agencies and State government Cabinets should be fully aware of the tremendous economic benefits of Kentucky’s agriculture industry — with production agriculture as its cornerstone. In addition to the thousands of jobs created and sustained by Kentucky agriculture, the total economic impact is in the multi-billion dollar range, far exceeding most other businesses and industries.

## GOAL

*Develop policies and funding streams designed to support the overall health (economic & environmental) of farms in Kentucky, as well as lead to increased net farm income. Ensure that all Kentucky Agricultural Development Fund (KADF) proceeds are invested with a purpose of improving the net farm income.*

## Specific actions

- » Ensure an effective, properly funded Agricultural Development Fund to serve the broad interests of Agriculture on local, regional and statewide levels.
- » Remove the debt service obligation for water and sewer projects from the KADF on a phased basis, and assign it to the State General Fund. (Projected bond payments from the KADF over the 2013-2014 biennium total \$46,235,700.)
- » Grow the Kentucky Agricultural Finance Corporation revolving loan fund to \$50 million through additional KADF funding. This will assure the sustainability of future funds available for agriculture investments.
- » As debt service obligations for water and sewer projects are removed

from the KADF, 50% of those restored funds should be dedicated to environmental cost-share programs, not to exceed 2001 — 2012 average funding levels of \$9 million annually.

- » Conduct a new study to update the analysis of the economic impact of Agricultural Development Board investments on Kentucky agriculture.
- » Investigate additional funding sources to leverage the Master Settlement Fund

## GOAL

*Meet the future needs of Kentucky Agriculture and for the protection of public health by providing state-of-the-art, comprehensive animal disease diagnostic services.*

### Specific actions

- » Fully fund and implement initiatives underway to upgrade the diagnostic facilities at the Murray State Breathitt Veterinary Center, including full construction funding in the Commonwealth's 2014 Budget.
- » Evaluate and fine-tune initiatives to increase access to large animal vets throughout Kentucky

## GOAL

*Improve the competitiveness of Kentucky agriculture with other states and help to increase net farm income through innovative legislation and tax law modifications; create a regulatory environment that allows agricultural producers and businesses to make long-term operational decisions and investments in land, labor and equipment.*

## SIDEBAR

### 2007-2012 STRATEGIC PLAN SUCCESS STORY: Upgrade of Veterinary Diagnostic Laboratories

A “Top 10” recommendation of the 2007-2012 Strategic Plan achieved one of its key milestones in 2011, with completion of a \$28.5 million dollar expansion and renovation of the University of Kentucky Veterinary Diagnostic Laboratory (VDL). Supported with \$20 million from the Kentucky Agricultural Development Fund, the facility was nearly doubled in size with addition of wings for necropsy laboratories and administration, renovation of existing laboratory space, and addition of alkaline digesters. The U of K VDL is a full-service animal health diagnostic facility whose faculty and staff handle 60,000 clinical cases, and average more than 3,000 necropsies each year. The laboratory also protects public health by diagnosing many diseases that can potentially cross over into the human population.

The companion “Top 10” milestone — upgrade of Murray State University’s Breathitt Veterinary Center — is still in progress (see Goal 2). In 2009, KADF helped underwrite a feasibility study that recommended construction of a new laboratory facility; and in 2012, KADF allocated funds for design and site acquisition. Through these efforts, this project should be shovel-ready by the 2014 legislative session.

Both Centers are members of the National Animal Health Laboratory Network, an initiative of the USDA.

### Specific actions

- » The Kentucky Agricultural Council will work with its membership to establish a Task Force to develop comprehensive tax policy recommendations to benefit Kentucky producers. This would include aid in generational transfer, risk management, and tools to allow farmers to better become self-sufficient and less reliant on government support/programs. The Task Force will evaluate farm input sales tax policies across all commodity groups and provide recommendations to its membership for correcting inequities and/or improving sales tax policies to maximize net farm income.
- » KAC will establish a parallel Task force to study current and potential future regulatory requirements at the local, state and federal level, and recommend policies that would

enable Kentucky agriculture to maintain its viability.

- » KAC will establish a Task Force to study and recommend long-term policy solutions to provide Kentucky farmers risk management tools that cover all farmers and products produced. (This includes crops, livestock, etc., more like revenue assurance instead of crop insurance)

## GOAL

*Assure the long-term sustainability of Kentucky’s agricultural assets and protection of natural resources critical to farming, e.g., land, water, soil, farmland, etc.*

### Specific actions

- » Promote compliance with the Kentucky Agriculture Water Quality Act (AWQA), and seek participation in establishing water quality plans



- by 100% of farm operations.
- » Increase funding and technical assistance to ensure compliance with AWQA and other environmental requirements.
  - » Conduct a summit on the future availability and management of water resources for Ag production & processing in Kentucky; address the urgent issues and need for future planning surrounding drought management.
  - » The AWQA Authority should be given increased input and decision-making capacity in developing permitting guidelines and a reasonable length of time required for permit issuance.
  - » Promote and fund programs that are dedicated to land stewardship and protection for future agricultural use.
  - » Maintain or increase funding for local, state and federal cost-share programs.
  - » Compile and disseminate statistics on the participation in Ag Water Quality Plans in order to increase public awareness and farm participation.
  - » Prepare a report on PACE and other land stewardship programs providing current statistics and information for public dissemination.

#### SIDEBAR

### KADF FUNDS RESEARCH ON NEW AG OPPORTUNITIES

A recent study was conducted for the Governor's Office of Agricultural Policy to examine the current and potential future efforts that Kentucky agriculture is dedicating to international marketing. Interviews were conducted with state agricultural leaders, commodity/farm organizations, national trade associations, international agricultural marketing specialists in surrounding states, agribusinesses, and Kentucky county extension agents to seek input on available resources, needs, and opportunities for expanded trade. Results indicated that Kentucky producers and agribusinesses have a wide variety of resources available to them, but limited personnel/educational programs and a non-coordinated effort are likely constraining the potential of the state's agriculture industry from capitalizing on international marketing opportunities. Issues arise to how a potential office dedicated solely to growing Kentucky agricultural exports could be structured, financed, and staffed to benefit the state's agricultural economy.

# Policy-Maker Education

---

*“I can’t emphasize enough how this needs to be an ongoing conversation.”*

—Sharon Furches, Furches Farms Partnership,  
in remarks to KAC’s 2012 Ag Summit

---

## Issues & Strategy Statement

Task Force members, after spending significant volunteer hours identifying and developing the Goals and Actions that are described in this document, came back repeatedly to the special challenge of communicating the key messages of this Strategic Plan to the State’s policy-makers, and following through to ensure that the plan’s priority Goals are implemented.

To that end, they envisioned a set of closing Goals and Actions that represent, in the words of one participant, “the Plan for the Plan.” Others saw this final step as ensuring a focused, structured approach to implementation.

The effort by Task Force members to grapple with this issue was mirrored in the comments of many Public Forum attendees. Forum participants spoke candidly and with passion about the challenge of presenting a “common theme” or message, or communicating the sense of “Agriculture being all on the same page.” Some expressed concern that at times, agricultural groups seem to be going in different directions, leaving policy makers confused.

Others pointed out that it is hard to get farmers to speak out and to express opinions to policy-makers. Training for agricultural spokespersons and tools such as “elevator speeches” were frequently mentioned. And others spoke to the need — actually the opportunity — to involve young people and other next generation farmers in helping engage with policy-makers.

When communicating about “farming,” some pointed out a need to go beyond just “Ag statistics” (such as commodity production / output numbers) and to put a human face on the agricultural industry. They felt this can be achieved by painting a broader picture of agriculture and farming. For example, by creating a focus on land preservation and the need for more protection of farmland. Beyond just “providing food,” the benefits of farming to the environment can be emphasized, and the role that farms and farmers play as stewards of the land. While a fundamental reality is that “without land we won’t be able to eat,” part of the message needs to be “look at all the other benefits that farms provide.”

Many also pondered how the Strategic Plan could embrace an “urban perspective”— noting that the Legislature used to have more farmers among its members. With fewer farmer legislators today, legislators as a whole do not understand farm issues as well and it is a struggle to get urban officials to pay attention to Agricultural opportunities or the needs of Agriculture as an industry that is important to the State’s economy. The question becomes, how can we get good, relevant data to support the message that farms / farming are important to the State’s urban areas?

The Task Force took a broad view of the policy-making process. Elected officials, regulators, administrative agencies, financial gatekeepers, and other decision makers at the local, state, national, and international level must understand the importance of agriculture and how their decisions impact its viability. Agricultural leaders must work diligently to offer broad-based policy recommendations that provide opportunity for all segments of agriculture to be competitive without unduly undermining other commodities or producers. When agricultural groups have divergent strategies and recommendations, their appeals should be based on facts and presented in a manner that promotes the attributes of all types of agriculture.

## GOAL

*Ensure all legislators and policy-makers at local, state and national levels understand the economic and community impact of Kentucky’s agricultural sector — “an implementation plan for the Strategic Plan.”*

## Specific actions

- » Encourage every KAC member organization to align with the Strategic Plan thrust and broad directions by acknowledging and acting on their personal stake in informing policy-makers about agriculture.

- » Establish a contact list of policy-makers — broadly and inclusively defined to go beyond legislators — through which to reach all types of civic organizations and policy “influencers.” Illustrative list:
  - › Chamber[s] of Commerce; State / Local Economic Development organizations
  - › Legislators (national, state and local levels)
  - › Area Development Districts
  - › Colleges / Vet Schools; FFA in high schools
  - › Media: TV, radio, papers
  - › Professional Ag organizations such as FSA, Conservation
  - › Regulators, e.g. Water, EPA, Forest Service et al
  - › Kentucky Bankers Association
  - › Retailers
  - › Health-related organizations
  - › County Clerks
  - › Other
- » Coordinate efforts among all KAC Members to transmit and communicate the Strategic Plan to policy-makers statewide and establish ongoing, personal communication, through tactics such as:
  - “Blanket the background” with presentations via all farm organizations: “Same message, over and over.”
  - KAC should address the Ag Committee in Frankfort and present the Strategic Plan “in person” as a broad interest group representing “all of Kentucky Agriculture”
- » KAC should coordinate and monitor efforts among its members to host regular informational meetings with policymakers, civic & leadership organizations on economic impact of agriculture in their communities, including updates on progress of Strategic Plan.
- » Increase use of social media to present “the face of Kentucky Agriculture”
- » Prepare a skeleton script / elevator pitch for all groups to use; include history of the Master Settlement Agreement and Tobacco Buy-out Program
- » Involve producers to the greatest extent possible, including new farmers as “the face of the next generation”
- » Include training for producers / farmers in how to communicate with policy-makers
- » Develop an “immersion program” for policy-makers to go see farms directly, learn first hand the issues involved ... “Feel it ... see it.”

## GOAL

*Strengthen the engagement of rural people and organizations in the civic life of their communities.*

## Actions

- » Identify leadership groups across the state among KAC member organizations and promote their engagement in communicating key messages in support of Kentucky Agriculture.
- » County Agricultural Agents, in concert with other agricultural community leaders and County Agricultural Development Boards, should conduct an annual local government “forum” (with involvement by County Judges, magistrates, other elected officials, planning and zoning leaders, School Board Chair, Economic Development Districts, et. al.) where local agricultural organizations can provide input on issues concerning Agriculture and vice-versa.
- » Survey local leadership groups across the state to see if they have an agricultural component in their programs. Request each Leadership Program to host an “Agriculture Day” to bring an appreciation of Agriculture to community leaders.
- » Expand and improve coordination of agricultural leadership programs, while considering a statewide ambassador program, including involvement by youth and new farmers.

# Section Two: Conclusions and Next Steps

## Evolution of KAC's role since the 2007 Strategic Plan

- » 2009: KAC's first Progress Report was issued, measuring the 2007 Plan's benchmarks
- » 2010: A Feasibility Study to guide the KAC's future direction was conducted as an outgrowth of the 2007 Plan and Progress Report, incorporating input gathered from all KAC members.
- » The Feasibility Study recommended an expanded and updated Mission: for KAC to serve as the "Steward of the Strategic Plan for Kentucky Agriculture."
- » The tradition of Ag Summits was revived and a commitment made to continue them on a regular basis.
- » Quarterly Meetings have become more informative — topic-specific, educational sessions for members. KAC began filling a coordination / clearing house role.
- » Sustained KADF funding was provided to the KAC based on KAC's commitments to implement the Feasibility Study recommendations, conduct Ag Summits, and take on role as the steward of strategic planning.
- » KAC's membership base was expanded; its Board of Directors was strengthened and updated bylaws reflecting its contemporary vision we adopted.

Over and over through this process, the Task Force heard from diverse voices a need for more coordination and communication among agricultural groups. Well-informed, actively involved producer and institutional representatives at Public Forums expressed amazement but also frustration at not knowing what other groups are doing.

As one participant stated, "The information is 'out there' but there are too many hoops involved for the average producer to find it." As another put it: "There are so many agricultural organizations out there, that the left and right hands don't know what each other are doing."

To this end, and as part of the KAC's role as steward of the strategic planning process for Kentucky Agriculture, the organization's next step will be to carry out the following Goal, in furtherance of the aims of this Strategic Plan.

## KAC Strategic Plan Implementation Goal

*Develop strategies and tactics that promote coordination of efforts and enhanced communication between all the Commonwealth's agricultural-related organizations, to increase the reach, impact and cost-effectiveness of their collective efforts in areas such as Consumer Outreach, Ag Education, programs that assists New Farmers, New Market Identification and Development, and Policy-maker Education.*

## Specific actions

- » Establish a "Clearinghouse" capacity or mechanism as a signature KAC initiative, complementary to the KAC's existing mission and role as an "organization of organizations" with a focus on promoting communication and coordination among its diverse members.
- » Function as a hub of information flow through all of KAC's member organizations. Consider creating a web-based "Kentucky Ag Google"
- » Stage over three years.
- » Build on and link to existing initiatives, such as:
  - KADF's newly funded program at KSU aimed at helping get more information and assistance out to small and disadvantaged farms.
  - KADF's experience working jointly with the Cattlemen, Poultry Federation and Pork Producers on shared funding and production of consumer educational videos.
  - The Kentucky Soybean Board's surveys of farmers and consumers (conducted at the 2012 State Fair, Nelson County Fair and other locations).
- » After a model is successfully developed and implemented, consider additional areas of focus such as coordination among regulatory agencies to provide more timely and easily accessible information to producers.

# The Planning Process at a Glance

## Task Force Meetings

Over the course of the 2012-year the Task Force members conducted five formal meetings as a group, for the purpose of identifying issues facing Kentucky Agriculture (“Challenges,” “Opportunities” etc.). From this step, and through various subcommittees, they then developed a series of Goals and Actions that respond to the key themes and issues that had been identified. These formed the building blocks around which the new plan was finalized.

### February 21, 2012

#### Elizabethtown

[Kick-off Meeting; Brainstorming; Distribution of Issues Questionnaire]

### May 30, 2012

#### Hopkinsville

[Questionnaire results tallied, Theme Identification and Issues Voting]

### June 14, 2012

#### Lexington FFA / 4H Youth Focus Group

In addition to formal Task Force meetings, the strategic planning process reached out to this youth audience to get fresh views on the future of agriculture from the next generation of farmers and agricultural leaders.

### July 11, 2012

#### Lexington

[Committee Break-out groups, preliminary development of Goals & Actions]

Following the identification of key “Themes” at the May 30 meeting, Task Force members divided themselves among committees, and began to develop in-depth recommendations for Goals, Actions, and Benchmarks (outcomes) under each theme. At the

July 11 meeting, Task Force members primarily worked within their respective Committees to further develop this material. The Committee-defined topics have been further refined to reflect input from the KAC Board of Directors, and to ensure that issues and goals that were part of the original 2007-2012 strategic plan receive continuing attention where needed.

### August 16, 2012

#### Louisville

[Final Committee sessions to refine Goals and Actions]

## Task Force Vision, Principles and Operating Procedures

In order for the strategic planning effort to achieve its aim and to be widely embraced, participants in the Task Force on the Future of Agriculture adopted at the outset the following Vision Statement:

*“Together we will develop the conditions that will enable our agricultural sectors and our rural communities to prosper.”*

Principles to guide the planning process and to ensure its inclusive thrust also were developed:

- » Focus on planning for the prosperity of agricultural sectors in general; all segments will thus benefit.
- » The economic future of rural communities and our agricultural sectors are linked to each other.
- » To be enduring the Plan must reflect the interests of all participants; engage the commitment of all participants; and be based on sustainable agreements.
- » The Individual organizations participating in the planning process pledged to incorporate the

Plan’s overarching priorities, action plans and benchmarks into the strategic plans of their respective organizations.

Operating procedures defining the respective roles of the Kentucky Agricultural Council (KAC) and the Task Force on the Future of Agriculture included the following key provisions:

- » The process was overseen by the KAC’s Board of Directors; a Chairman and two co-chairs, supported by KAC’s professional staff and facilitators from the University of Kentucky Cooperative Extension Service, helped organize the day-to-day activities and provide guidance to the planning activities.
- » Task Force Members and Alternates signed a “Member Organization Responsibility Agreement,” reflecting their commitment to participate actively in the process and to abide by the Task Force’s principles and operating procedures.
- » Task Force members were responsible for developing the plan and for bringing to the Task Force the critical challenges and emerging opportunities identified by their respective organizations, while keeping in mind the vision and principles of the Task Force.
- » Ideas and proposals were evaluated based on the degree to which they contributed to achieving the Plan’s vision. The Task Force worked under the maxim: “When we disagree, we disagree with the idea not the person; everyone should feel free to express and try out ideas, even outrageous ones.”
- » Task Force members were responsible for providing timely reports on the progress of the planning process to the leaders and members

of the organizations or groups they represent and providing continuous feedback to the staff and KAC Board of Directors.

- » The KAC Board was responsible for developing drafts for the Task Force to consider and sought to reflect the Task Force consensus in all documents. Their efforts were guided by the Task Force's commitment to help all sectors of agriculture to prosper; and to think creatively about the challenges and opportunities confronting agriculture and rural communities.

### **Public Forums**

Throughout August and September 2012, the KAC's strategic planning process included a series of public forums held at seven locations across the state, to which the public and all those interested in the future of Kentucky agriculture were invited. These forums provided important input to the new strategic plan for Kentucky agriculture and the state's rural communities for the 2013-2018 period.

#### **Louisville — August 22**

Hilton Garden Inn @ Kentucky Exposition Center

#### **Murray — August 27**

Murray State University

#### **Henderson — August 28**

Henderson Community College

#### **Bowling Green — August 28**

Western Kentucky University

#### **London — September 4**

Laurel County Extension Office

#### **Morehead — September 5**

Morehead State University

#### **Frankfort — September 5**

Kentucky State University

### **Historical Context for the Updated Strategic Plan**

What lies ahead is, fortunately, not entirely uncharted territory: today's vision builds on the blueprint outlined by the Kentucky Agricultural Council in 2007, entitled *A Pathway for Kentucky's Agriculture and its Rural Communities: 2007 to 2012 Strategic Plan*.

### **The 2007 Planning Effort**

Prior to the federal tobacco buy-out in October of 2004, Kentucky agriculture as a whole had not had a unifying focus or strategy to guide its future growth and development. Various organizations and agricultural sectors had established plans for their respective interests, but no plan existed for the industry as a whole.

In the fall of 2006, Kentucky's Governor Ernie Fletcher secured the support of key agricultural leaders to address this need by developing a bold and broadly inclusive strategic plan. On March 15, 2007, over 450 Kentucky agriculture leaders attended the first Governor's Summit on Agriculture, where then-Governor Fletcher personally issued this challenge to the assembled leaders. The daylong event at the Kentucky Exposition Center featured nationally known business and economic experts, as well as representatives from all segments of Kentucky's agricultural industry. Governor Fletcher called on the Commonwealth's agricultural organizations, agribusiness and farmers to develop an action-oriented strategic plan, which would build on Kentucky's agricultural strengths and propel all of Kentucky agriculture into the future.

The Plan needed to:

- » address state, federal, and non-governmental components
- » prioritize issues facing the industry
- » establish action plans
- » set benchmarks for accountability

A major strategic intent of the new plan was to assess how the public views the agricultural sector, including their

perspectives on the use of technology and on farm policy. Governor Fletcher emphasized the importance of securing strong public support for farm programs and for environmental and resource use issues important to agriculture's success. Finally, he encouraged the State's agriculture leaders to complete the plan before the Kentucky General Assembly's 2008 Legislative Session, in order for it to be timely and actionable.

Because of its broad representative base and its independent status, the Kentucky Agricultural Council (KAC) was asked to lead the plan's development. During the Governor's Summit, Dr. Tony Brannon, Dean of Agriculture at Murray State University and Chairperson of the Council, kicked off the initiative by presenting a project roadmap, including steps through which input would be obtained from all sectors of agriculture and agribusiness, and from the public at large. Over the next 45 days, agricultural organizations and entities across Kentucky nominated representatives, alternates and staff members to serve on the Council's Task Force. The Task Force met for the first time on May 2, 2007. Reflecting the sense of urgency that agricultural leaders brought to this initiative, a goal was set to complete the plan before the end of the year.

Five additional Task Force meetings, as well as six Regional Public Forums held around the state to solicit and incorporate input to the plan drafted by the Task Force, were held from July through December. *A Pathway for Kentucky's Agriculture and its Rural Communities, 2007 to 2012 Strategic Plan*, was adopted in December 2007.

### **Additional Past Planning and Policy Efforts**

The Task Force that reconvened this year benefitted from many guideposts pointing the way forward, in the form of earlier strategic plans and studies prepared in recent years by various



commodity groups and agricultural associations across the state, including the Ag. 2000 plan (see below). These prior efforts provided foundations on which the current plan is built.

Notably among these was the report, *Cultivating Rural Prosperity: Kentucky's Long-term Plan for Agricultural Development*, produced under the direction of the Kentucky Agricultural Development Board through an extensive, state-wide public engagement process, and referred to daily as a roadmap for the various County Councils and boards that together oversee the investment of funds received by Kentucky through the Master Settlement Agreement. The Board, through its oversight of the Kentucky Agricultural Development Fund,

It is for these reasons that Kentucky's agricultural leaders, together with leaders in government, determined that a strong new vision and roadmap for Kentucky agriculture was urgently needed. Their agreement to convene the Task Force on the Future of Agriculture also represented an unusual consensus around the need for a plan based on elements and strategies that would benefit ALL of agriculture. Thus this plan is largely organized around broad themes and overarching strategies that can help advance all of Kentucky's agricultural producers, processors, supporting agribusinesses, and its rural communities.

The opening section of this document reviewed the important historical role played by the Master Settlement Agreement and passage of House Bill 611 (creating the Kentucky Agricultural Fund), as well as the impact of the National Tobacco Buyout Legislations.

In addition to these seminal events discussed earlier in the report, the following initiatives also provide important context for the KAC's continued strategic planning efforts on behalf of Kentucky Agriculture.

### **Background on Ag. Project 2000**

In an effort for Kentucky to more fully realize its long-range development possibilities in the agricultural sector, Ag. Project 2000 came to be in 1992 and its report by the same title was released in 1993. Ag. Project 2000 remains valid as the comprehensive master plan for Kentucky agricultural economic development upon which we are building today. This comprehensive master plan called for increasing on-farm production capacities, greater efficiency for greater profitability and expanding value-added industries in Kentucky. Each of these is interrelated, reinforcing the others to build a strong Kentucky economy.

The University of Kentucky College of Agriculture, the Kentucky Farm Bureau Federation, the Kentucky Department of Agriculture, the Kentucky Agriculture Resource Development Authority and all major commodity groups in Kentucky initiated and sponsored the report. Fourteen commodity study groups, made up of more than 200 Kentucky farmers, agribusiness leaders and educators, explored individual subjects in depth. While Ag Project 2000 focused on specific commodities, today's new plan builds upon the success that individual commodities have achieved, and paves the way to developing a broader infrastructure to continue to expand, utilize and market the agricultural resources that exist across the Commonwealth.

While Ag. Project 2000 represented the state's last formal strategic plan prior to 2007, Kentucky and its agricultural community have nonetheless achieved many other significant innovations during the last 20 years. Two in particular have gone on to become national models — The Kentucky Agriculture Water Quality Act and House Bill 611, which established the Agricultural Development Fund to oversee agriculture's share of the Tobacco Master Settlement Agreement.

### **Background on Kentucky Ag Water Quality Act**

The Kentucky Agriculture Water Quality Act was passed by the 1994 General Assembly and was the first legislation of its kind in the nation. It requires conservation planning and created comprehensive guidelines for the state's agriculture in its continuing efforts to address environmental issues associated with farm activities. It established an Agriculture Water Quality Authority representing the agriculture and environmental communities. The intent of the Act is long-term protection of ground and surface water resources. However, the Authority sees many other long-term benefits resulting from implementation of the Agriculture Water Quality Act. This includes, but is not limited to: increased longevity and profits for agriculture operations as a result of enhanced soil health; soil and nutrient retention; improved drinking water supplies; reduced risk to production; flood control; restoration and enhancement of wildlife habitat; increased water quantity capacities; achieving water quality compliance for producers; environmental responsibilities to others off-site, and an overall improvement to the quality of life.



# Kentucky Agricultural Council Members

AgriBusiness Association of Kentucky	Kentucky Chamber of Commerce	Kentucky Sheep and Wool Producers Association
Agribusiness Industry Network, Inc.	Kentucky Chapter of the American Society of Landscape Architects	Kentucky Small Grain Growers Association
Agriculture Workforce Management Association	Kentucky Community & Technical College System	Kentucky Soybean Association
Berea College Department of Agriculture	Kentucky Corn Growers Association	Kentucky State Beekeepers Association
Burley Tobacco Growers Cooperative Association	Kentucky Council on Post Secondary Education	Kentucky State Fair Board
Center for Rural Development	Kentucky Dairy Development Council	Kentucky State Horticultural Society
Central Kentucky Ornamental and Turf Association	Kentucky Department for Energy Development & Independence	Kentucky State University
Community Farm Alliance	Kentucky Department of Agriculture	Kentucky Thoroughbred Association
Council for Burley Tobacco, Inc.	Kentucky Division of Conservation	Kentucky Turfgrass Council
Eastern Kentucky University Department of Agriculture	Kentucky Equine Education Project	Kentucky Vegetable Growers Association
Farm Credit Services	Kentucky Farm Bureau Federation	Kentucky Veterinary Medical Association
Governor's Office of Agricultural Policy	Kentucky Farm Service Agency	Kentucky Vineyard Society
Hopkinsville Community College	Kentucky Farmers Market Association	Kentucky Women in Agriculture
Jackson Purchase Agricultural Credit Association	Kentucky Feed and Grain Association	Kentucky Woodland Owners Association
Kentucky 4H Foundation	Kentucky FFA Association	Louisville Nursery Association
Kentucky Aquaculture Association	Kentucky FFA Foundation	Morehead State University
Kentucky Agritourism Advisory Council	Kentucky Florists Association	Murray State University Breathitt Veterinary Center
Kentucky Agricultural Development Board	Kentucky Forest Industries Association	Murray State University Hutson School of Agriculture
Kentucky Agricultural Finance Corporation	Kentucky Goat Producers Association	Organic Association of Kentucky PACE Board
Kentucky Alternative Livestock Association	Kentucky Grape and Wine Council	The Garden Club of Kentucky
Kentucky Arborists Association	Kentucky Greenhouse Association	University of Kentucky Agricultural Advisory Board
Kentucky Association of Agricultural Educators	Kentucky Grocers Association	University of Kentucky College of Agriculture
Kentucky Association of Conservation Districts	Kentucky Horse Council	USDA NASS Kentucky Field Office
Kentucky Association of Conservation District Employees	Kentucky Horse Park	USDA NRCS
Kentucky Association of Equine Practitioners	Kentucky Horticulture Council	USDA Rural Development
Kentucky Cattlemen's Association	Kentucky Livestock Coalition	West Kentucky AgBioworks
Kentucky Center for Agricultural & Rural Development	Kentucky Nursery and Landscape Association	Western Kentucky University Department of Agriculture
	Kentucky Nut Growers Association	
	Kentucky Pork Producers Association	
	Kentucky Poultry Federation	
	Kentucky Retail Federation	
	Kentucky Sheep and Goat Development Office	

*\*Members as of November 2012*

# Acknowledgements

## **KAC Task Force on the Future Of Agriculture**

### **Chairman**

Keith Rogers

### **Co-chairs**

Todd Clark

Sharon Furches

### **Facilitators**

Lorraine Garkovich,  
University of Kentucky  
College of Agriculture

Richard Maurer,  
University of Kentucky  
College of Agriculture

## **Board of Directors**

### **2012 Chairman**

Dan Flanagan  
Kentucky Poultry Federation

### **2011 Immediate Past Chairman**

Tod Griffin  
AgriBusiness Association of Kentucky

### **2013 Chairman-Elect**

Dr. Tony Brannon  
Murray State University,  
Hutson School of Agriculture

### **Treasurer**

Steve Coleman  
Kentucky Division of Conservation

### **Members**

David S. Beck  
Kentucky Farm Bureau Federation

Kristen Branscum  
Kentucky Department of Agriculture

Nancy Cox, Associate Dean  
University of Kentucky,  
College of Agriculture

Ginny Grulke  
Kentucky Horse Council, Inc.

Bonnie Jolly  
Kentucky Pork Producers Association

Joel Neaveill  
Governor's Office of Agricultural Policy

Keith Rogers  
Kentucky 4-H Foundation, Inc.

### **KAC Staff**

Dawn Riley, Dawn Riley Consulting  
Steven Spalding, Point A Consulting

For more information on the Kentucky Agricultural Council and the Task Force on the Future of Agriculture: [www.kyagcouncil.org](http://www.kyagcouncil.org)



This project was made possible by a grant from the Kentucky Agricultural Development Fund (KADF).

The Task Force wishes to thank the KADF for its support and encouragement to establish and promote this consensus vision for Agriculture and rural communities across the Commonwealth.







**Kentucky Agricultural Council**

For more information visit: [www.kyagcouncil.org](http://www.kyagcouncil.org)