

OUTSTANDING YOUTH CONTEST RESOURCE HANDBOOK



PARTNERS *in*
PROGRESS

SUPPORTING AGRICULTURE | INSURANCE SERVICES | LEGISLATIVE POLICY | YOUTH DEVELOPMENT | YOUNG FARMERS | WOMEN'S LEADERSHIP



Kentucky Farm Bureau

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Kentucky Farm Bureau Outstanding Youth Contest

Public Speaking

The fear of speaking in public is the #1 fear of all fears. The fear of dying is #7! Over 41% of people have some fear or anxiety dealing with speaking in front of groups. People who have this fear can experience all kinds of symptoms: Sweaty palms, accelerated heart rate, memory loss and even difficulty in breathing. Some of the world's most famous presenters have freely admitted to nervousness and stage fright. Mark Twain said it best, "There are two types of speakers: those that are nervous and those that are liars".

Everyone, even experienced speakers, has some anxiety when speaking in front of a group of people. The best way to deal with this anxiety is to first acknowledge that this fear is perfectly normal and you are not alone. To reduce your fear, you need to make sure you properly and thoroughly prepare yourself before you speak. Proper preparation and rehearsal can help to reduce this fear by about 75%. Proper breathing techniques can further reduce this fear by another 15%. Your mental state accounts for the remaining 10%.

Below are just a few suggestions you should use to overcome your speaking anxiety. The first and most important of all is preparation. Think of it as the 9 P's:

Prior Proper Preparation Prevents Poor Performance of the Person Putting on the Presentation.

Nothing will relax you more than to know you are properly prepared. Below are 10 steps you can take to reduce your speech anxiety.

1. **Know the room** - Become familiar with the place in which you will speak. Arrive early and walk around the room including the speaking area. Stand at the lectern and speak into the microphone. Walk around where the audience will be seated. Walk from where you will be seated to the place where you will be speaking.
 2. **Know the Audience** - If possible, greet some of the audience as they arrive and chat with them. It is easier to speak to a group of friends than to a group of strangers.
 3. **Know Your Material** - If you are not familiar with your material or are uncomfortable with it, your nervousness will increase. Practice your speech or presentation and revise it until you can present it with ease.
 4. **Learn How to Relax** - You can ease tension by doing exercises. Sit comfortable with your back straight. Breathe in slowly, hold your breath for 4 to 5 seconds, and then slowly exhale. To relax your facial muscles, open your mouth and eyes wide, then close them tightly.
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Kentucky Farm Bureau Outstanding Youth Contest

Public Speaking Continued

5. **Visualize Yourself Speaking** - Imagine yourself walking confidently to the lectern as the audience applauds. Imagine yourself speaking, your voice loud, clear and assured. When you visualize yourself as successful, you will be successful.
6. **Realize People Want You To Succeed** - All audiences want speakers to be interesting, stimulating, informative and entertaining. They want you to succeed - not fail.
7. **Don't apologize For Being Nervous** - Most of the time your nervousness does not show at all. If you don't say anything about it, nobody will notice. If you mention your nervousness or apologize for any problems you think you have with your speech, you'll only be calling attention to it.
8. **Concentrate on Your Message - not the medium** - Your nervous feelings will dissipate if you focus your attention away from your anxieties and concentrate on your message and your audience, not yourself.
9. **Turn Nervousness into Positive Energy** - The same nervous energy that causes stage fright can be an asset to you. Harness it, and transform it into vitality and enthusiasm.
10. **Gain Experience** - Experience builds confidence, which is the key to effective speaking. Most beginning speakers find their anxieties decrease after each speech they give.

Remember, "He who fails to prepare is preparing for failure - so Prepare, Prepare, Prepare"

The more you know about your speaking environment and your audience, the more relaxed you will be when delivering your speech. Many speakers; however, often overlook the need to include any kind of audience analysis as part of their speech preparation. Proper audience analysis will assure that you give the right speech to the right audience. Using the word "A-U-D-I-E-N-C-E" as an acronym, I have defined some general audience analysis categories that these surveys should include.

- A**nalysis - Who are they? How many will be there?
- U**nderstanding - What is their knowledge of the subject?
- D**emographics - What is their age, sex, educational background?
- I**nterest - Why are they there? Who asked them to be there?
- E**nvironment - Where will I stand? Can they all see & hear me?
- N**eeds - What are their needs? What are your needs as the speaker?
- C**ustomized - What specific needs do you need to address?
- E**xpectations - What do they expect to learn or hear from you?

Develop specific questions, which fit into each of these eight categories and ask the client or audience to tell you what they want. Essentially, ask them what they need and give it to them.



Kentucky Farm Bureau Outstanding Youth Contest

20 Mistakes Speakers Make and How to Avoid Them

- 1) **Trying to convince an audience you have a sense of humor when all the evidence says otherwise.** If you're not funny, don't try to tell a joke. Some speakers can't even read a story so that other people will laugh. Some speakers think telling a joke is a prerequisite for getting the audience to relax and listen to their message. But if the speaker is relaxed and confident, the audience will be relaxed and attentive.
 - 2) **Thinking spontaneous remarks are better than any prepared speech.** "Spontaneity" is one of the rarest things on earth. Mark Twain once said it takes three weeks to prepare a good ad-lib speech. A speech needs to be outlined, then written, then re-written and then practiced many times before it will be a good one.
 - 3) **Exceeding the time allotted for your speech.** The audience knows how much time your speech is supposed to take and will lose interest quickly in a speaker that exceeds that limit. Make it a point of pride to finish a minute or two under your allotted time.
 - 4) **Failing to research the audience before a speech.** A speech must be geared toward the audience, or the message will never be received. Ask lots of questions about the audience, what kind of speech they will be expecting, what kind of group this is, how many people will be attending, and will they want a question-and-answer period. Conducting a thorough audience analysis is vital before you begin to prepare any speech.
 - 5) **Failing to research the physical location in advance of a speech.** If you don't check every detail of the place you're speaking in, disaster can be the result. Find out the size and shape of the lectern or podium. Will there be a microphone available and how does it operate? Have arrangements been made for any audiovisuals you want to use? How big is the room? Is there a glass of water at hand for each speaker? Conducting a thorough study of the room where you will speak will make you much more comfortable, while avoiding any distracting annoyances once you get started.
 - 6) **Not rehearsing the speech many times in advance.** Rehearse in front of a video camera or into a tape recorder. Or ask a family member or business associate to listen to your speech and provide helpful suggestions on speech content and delivery.
 - 7) **Fidgeting, slouching and leaning on the podium.** Body language tells the audience more about you than your words. Establish and maintain good eye contact. Plant your feet shoulder width apart and stand tall. Use gestures when appropriate and rest your hands on the podium at other times.
 - 8) **Writing an essay to be read instead of a speech.** This is a speech, not an English composition. Many a good sentence will make sense when a person reads it, but not when that sentence is spoken. Read through your speech out loud several times, to make sure you've used simple words and short sentences.
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Kentucky Farm Bureau Outstanding Youth Contest

20 Mistakes Speakers Make and How to Avoid Them Continued

- 9) **Failing to find an effective opening for your speech.** A speaker must establish some common ground with the audience very quickly. Talk about a common tie with the audience. Tell a heartwarming or funny story that gets their attention. Give a sincere compliment to the group. Boldly state your theme in a simple and memorable way.
 - 10) **Flooding the audience with statistics, especially early in the speech.** Limit yourself to the most compelling statistics and then illustrate the statistic with a forceful analogy. Statistics are difficult to visualize and can numb your audience if overused.
 - 11) **Failure to make the main points of your speech stand out.** If the audience doesn't go home with the two or three main ideas you worked so hard to deliver to them, then you've failed. There is one surefire method for making your main points clear. Label them with numbers or tag them with strong words. Then repeat the points several times, in several ways, throughout the speech.
 - 12) **Going on too long after you say, "In conclusion..."** If you talk much more than 30 seconds to a minute after you use that phrase, you will seriously compromise all the good you've accomplished up to that point, no matter how good your speech has been.
 - 13) **Using dull and sloppy visual aids.** If you add visual aids to your speech, they should be bright, colorful and easy to see and understand from the back row of the audience. Before you speak, have a friend or colleague stand in the back of the room and watch while you deliver that part of your speech. If the object cannot be seen clearly, trash it.
 - 14) **Failing to test all electrical equipment before the crowd arrives.** Light bulbs burn out on projectors, overheads do not focus properly and screens are not positioned correctly, unless you take the time to check all these in advance.
 - 15) **Dimming the lights more than necessary when showing slides.** Do not darken the room unless absolutely necessary. If you do, people will not be able to take notes and they may begin to get drowsy, especially if you are speaking after a meal.
 - 16) **Beginning the speech too quickly - or beginning it too late.** If you launch into the important part of your speech from the very first sentence, the audience may not have settled down. You must give them time to relax, to sit back and decide what kind of person you are. On the other hand, do not use too many jokes, stories, or personal references and lose their interest before you get into the reason for your speech.
 - 17) **Changing the topic of your speech at the podium.** You have seen it before. The speaker holds up the program flyer and pokes fun at the topic as listed. Then the speaker announces he or she has decided to talk about a slightly different subject. Do not do it. If you must change your speech's emphasis, do so without tipping your hand.
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Kentucky Farm Bureau Outstanding Youth Contest

20 Mistakes Speakers Make and How to Avoid Them Continued

- 18) **Failing to repeat the question during Q&A period.** Not everyone in the audience will be able to hear the question. Always repeat the questions so everyone in the room will know what is being discussed. And then address the answer to the entire room, not just to the person asking the questions.
- 19) **Speaking too slowly - or too fast.** Too often the speaker who speaks slowly to give emphasis and clarity to his own ideas succeeds only in boring the audience. Instead, practice pronouncing your words more distinctly while you speak at a normal speed. The reverse is the speaker who gets caught in the trap of speaking too quickly. Vary the speed of your delivery.
- 20) **Passing out material while you are speaking.** It is a sure way to lose the attention of your audience. If you have an outline that you want the audience to follow while you speak, have it handed out in advance of your introduction. A better plan is to have anything you want the audience to have in printed form distributed at the back of the room as they leave.

*The three secrets to success in public speaking -
be sincere, be brief, and be seated!*



Kentucky Farm Bureau Outstanding Youth Contest

Possible Speech Topics & Titles

- Farm Bureau: What is its mission?
 - Why is it important for farmers to take an active role in the political process?
 - What is the greatest issue facing Kentucky agriculture?
 - What role does Kentucky Farm Bureau play in strengthening Kentucky agriculture?
 - How have women made a difference in American agriculture over the past 100 years?
 - How can educational programs improve the public perception of agriculture?
 - Why is agricultural literacy important?
 - How has technology advanced American agriculture?
 - Agriculture: A True Friend to the Environment and Wildlife
 - Is a sound agricultural economy a matter of national security and defense?
 - What are some of the benefits of bio-engineered or genetically-modified crops?
 - Agriculture: Your Life Support System! How does agriculture impact your life?
 - Why are farmers considered the first environmentalist?
 - Agriculture: Food, Fiber and Fuel - Meeting Your Needs!
 - How is the global market affecting Kentucky agriculture?
 - How does Farm Bureau create its policy? Why is this important?
 - The Real Value of American Agriculture! The average family only spends 10% of their income on food.
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Acing the Interview



Kentucky Farm Bureau Outstanding Youth Contest

Acing an Interview

- 1) Dress appropriately and professionally.
 - a. Much of another person's perception of you is based on how you look.
 - b. Women's Interview Attire
 - Solid color, conservative suit
 - Coordinated blouse
 - Moderate shoes
 - Limited jewelry
 - Neat, professional hairstyle
 - Tan or light hosiery
 - Sparse make-up & perfume
 - Manicured nails
 - c. Men's Interview Attire
 - Solid color, conservative suit
 - White long sleeve shirt
 - Conservative tie
 - Dark socks, professional shoes
 - Very limited jewelry
 - Neat, professional hairstyle
 - Go easy on the aftershave
 - Neatly trimmed nails
 - 2) Plan on arriving at least fifteen minutes before the interview. That will help reduce your stress level, and you will ensure that traffic or other delays don't make you late.
 - 3) Greet your interviewer by name, with a firm handshake and a smile. Until your interviewer tells you otherwise, use the more formal "Mr. (Smith)" or "Ms. (Johnson)."
 - 4) Wait for the interviewer to sit down or invite you to sit down before seating yourself.
 - 5) Be prepared to speak in concise terms about relevant experiences that reflect positively on your skills and your character.
 - 6) Do not smoke or chew gum.
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Kentucky Farm Bureau Outstanding Youth Contest

Acing an Interview Continued

- 7) Sit comfortably, maintain good body posture.

- 8) Listen carefully to what the interviewer is saying. Take a few seconds to think about a difficult question before responding.
 - a. Responding quickly may convey that you're impulsive and don't take time to think about your decisions.
 - b. Don't be afraid of silence during the interview - it's better to think about a question for a few moments, rather than jumping in with an answer that's off-target or long and rambling.
 - c. If the question seems ambiguous or you need more clarification, ask the interviewer to elaborate or restate the question. (But don't use this as a ruse to gain more time.)
 - d. Don't display defensiveness when a tough question has you stumped.

- 9) Don't make up answers to questions you don't know. Your interviewer will conclude that you will do the same thing in the work place.

- 10) Enthusiasm is vital! Demonstrate your interest in the contest, organization, job or company.

- 11) Keep the interviewer's attention.
 - a. You can apply the same principles that work in public speaking - vary the tone and tempo of your voice; take your nervous energy and translate that into enthusiasm; maintain eye contact with the interviewer.
 - b. Try to match the interviewer's energy level. People like to select or hire others like themselves.

- 12) Conclude your interview with good eye and a firm handshake. Thank the interviewer for their time.

Farm Bureau

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Kentucky Farm Bureau

Basic Concepts & Functions

Mission Statement

Kentucky Farm Bureau is a voluntary organization of farm families and their allies dedicated to serving as the voice of agriculture by identifying problems, developing solutions and taking actions which will improve net farm income, achieve better economic opportunities and enhance the quality of life for all.

Scope of Farm Bureau

Kentucky Farm Bureau, founded in 1919, is a federation of the 120 county Farm Bureaus in the state.

The American Farm Bureau is made up of 50 states and Puerto Rico, which nationwide boasts over 6 million family memberships. The AFBF office is located in Washington, DC.

Farm Bureau Defined

Farm Bureau is a voluntary, bi-partisan, dues-paying organization of farmers working together to accomplish as a group those things they cannot accomplish as individuals. Membership is on a family basis and the organization provides programs and services in which each member of the family has the opportunity to participate and serve.

Voluntary

No one is forced to join Farm Bureau. Rather, farmers voluntarily join to be a part of the organization and to participate in its many valuable programs.

Bi-Partisan

Farm Bureau is not officially connected with any branch or department of government. While the organization must interact constantly with officials of government on matters affecting agriculture, its policy is to do so on a non-partisan basis.

Dues-Paying

Members pay dues to support the organization. Farm Bureau receives no operating funds from any private or governmental source.

Structure of Kentucky Farm Bureau Federation

Kentucky Farm Bureau is governed by a Board of Directors consisting of 26 members, elected from their respective districts, plus 7 Directors-at-Large. Its officers are elected by the membership and serve as officers of the Insurance Board and other affiliated companies, but are not full-time employees of Farm Bureau. The Chief Administrative Officer of the organization is Mr. David S. Beck, who serves as the Executive Vice President, and is in charge of the day-to-day operation of the company.

Farm Bureau is the world's largest, most respected, and most effective farm organization and possesses a solid record of achievement in the history of American agriculture. It is an organization which, upon its record, has earned the membership and enthusiastic support of every farmer in Kentucky and in the nation.



Kentucky Farm Bureau

Programs & Services

Farm Bureau on all levels, conducts programs which are beneficial to agriculture in general and farmers in particular. A wide variety of services is offered to dues-paying Farm Bureau members in Kentucky. Some apply only to farmers, others to all members regardless of occupation.

Women's Program

The Kentucky Farm Bureau Women's Program provides opportunities for educational and leadership development; enabling farm women to become active participating members of Farm Bureau. It is designed to utilize the talents of women throughout the state for the purpose of implementing Farm Bureau goals and objectives. These activities also include all agricultural literacy efforts.

Agriculture in the Classroom

Kentucky Farm Bureau continues to effectively reach students and teachers through various activities and events such as Ag Day's, Agricultural Literacy Programs and Regional Teacher Workshops. Thousands of students each year have the opportunity to learn how Kentucky agriculture positively impacts their lives economically, environmentally and socially.

Youth Activities

School-age youth find opportunities for recognition through the Outstanding Farm Bureau Youth contest and talent competition at the county, district and state levels. An Institute for Future Agricultural Leaders (IFAL) is held on two Kentucky university campuses each summer, emphasizing leadership and agriculture careers for top students who have just completed the 11th grade.

Young Farmers

An Outstanding Young Farm Family contest, an Excellence in Agriculture Contest and an annual Discussion Meet are all designed to recognize successful and talented young farmers. County and state committees offer leadership opportunities for farmers 35 years of age and under.

Scholarships

Thousands of dollars in college aid grants are awarded annually to deserving Kentucky high school seniors from Farm Bureau families by the Kentucky Farm Bureau Education Foundation.

Information & Public Relations

A dedicated communications team is charged with informing Farm Bureau members and the general public about the program, products and services of Kentucky Farm Bureau, and informing the public of important agricultural issues. This is primarily accomplished through various news releases and media correspondence; a magazine entitled, Kentucky Farm Bureau News, published 10 times a year; daily and weekly radio programs; a monthly video report; and a weekly television program, Bluegrass and Backroads.

Farm Bureau Bank

The internet bank located in San Antonio offers credit cards, checking accounts, money market accounts, CDs, auto loans and home mortgage loans at competitive rates.

Governmental Affairs

Full-time lobbyists are on duty anytime the state legislature, Congress or regulatory agencies act on matters affecting agriculture. Policies are formulated through an annual process which measures grassroots sentiment on important issues. Measure-the-Candidate programs check candidates' views and compare them with Farm Bureau policies.

Commodity Interests

A team of commodity specialists help represent the interests of Farm Bureau's farmer members in an attempt to increase net farm income. This team works with the various commodity committees of Farm Bureau and acts as a liaison with other commodity organizations or groups interested in the state's agricultural industry.

Insurance

Agents in all 120 counties offer a full line of insurance services to Farm Bureau members. Kentucky Farm Bureau Mutual Insurance Company now carries the highest rating given for soundness and safety by the nation's top insurance rating service.

Buying Services

Price discounts for Farm Bureau members have been negotiated on a variety of products and services. The discounts cover products from eyeglasses, to prescription medicines, state park lodging and car rentals, among others. A group purchasing program for bulk shipments of farm chemicals and fruit is offered once a year as well.

Farm Bureau Priority Issues



2011 Kentucky Farm Bureau State Priority Issues

TAXATION

Support the current provisions of House Bill 44 (KRS 132.010). Revenue from property taxes should continue to be limited to 4% plus new growth. Proposals to exceed 4% should automatically go to the voters.

Kentucky Farm Bureau is well aware that the General Assembly will face tough decisions during the 2011 session. While we stand willing to work with the legislature in establishing appropriate ways to stabilize Kentucky's revenue system, we do not believe that raising property taxes is the answer. Many farmers and rural landowners simply cannot survive an increased tax burden.

We also recognize the impact property taxes have on government programs in this state. We believe that funding any level of government solely through property taxes is not in the best interest of Kentucky and we support HB 44 (KRS 132.010) as it was enacted in 1979. Our organization worked hard in the 1979 Special Session to bring about the protections in HB 44, and has been a strong supporter since its enactment.

We are opposed to freezing the tax rate and want to caution that implementing a rate freeze does not freeze property taxes. Locking in the tax rate could allow tax bills to rise beyond 4 percent per year, driven by the increase in property assessments. Property owners deserve to retain protection from outrageous increases in tax burdens on existing homes, farms, and businesses.

Farm Bureau Policy:

“We recommend that local officials’ authority to increase revenue from property taxes continue to be confined to 4 percent plus new growth. Any proposal to increase revenue more than that formula should automatically be decided by a voter referendum.”

STATUS AFTER 2011 REGULAR SESSION

Provisions did not change - Success



2011 Kentucky Farm Bureau State Priority Issues

TAXATION

Maintain Kentucky's sales tax exemptions for production agriculture.

During the 2011 session of the General Assembly discussion of changes in Kentucky's tax code will more than likely begin. Proponents of tax reform state that changes in Kentucky's current tax code must be made in order for the Commonwealth to become more business friendly and attract new jobs.

According to a report issued in October 2009 by the Office of the State Budget Director, Kentucky received 77% of its general fund revenue from sales and use and individual income taxes for the fiscal year 2009. Corporate income taxes contributed 5% and property taxes contributed 6% of the states revenue in 2009. This same report listed the tax exemptions currently in Kentucky statute and also estimated the amount of tax revenue that would be generated if certain services were taxed. Kentucky's current sales tax is 6%; there are several areas that are not subject to the sales and use tax. It is estimated that these sales tax exemptions cost the state about \$2.5 billion a year. This report also concluded a tax on services would generate over \$3.3 billion over the next two years.

Removing the sales tax exemption for farm inputs is an area of concern. Removing the sales tax exemptions would mean an immediate 6% increase in the cost of production for Kentucky farmers because the increased cost cannot be passed on to the consumer like other businesses. Consumers, in addition to farmers, benefit from the sales tax exemptions on agricultural inputs. Also, each of Kentucky's seven surrounding states has some form of sales tax exemption for agricultural inputs. Eliminating these exemptions would put Kentucky farmers at an economic disadvantage with surrounding states and have dramatic impacts on the entire agriculture industry.

Kentucky Farm Bureau will vigorously oppose any attempt to remove the current sales and use tax exemptions on agricultural inputs because of its importance to maintaining a viable agricultural economy in Kentucky.

Farm Bureau Policy:

“We recommend that all farm production items including veterinary medicine, electricity, LP gas, and natural gas be exempt from sales and use tax.”

STATUS AFTER 2011 REGULAR SESSION

Provisions were maintained - Success



2011 Kentucky Farm Bureau State Priority Issues

TAXATION

Support the permanent repeal of Kentucky's estate tax.

For many years, Kentucky had both an estate tax and an inheritance tax. However, in 2005 the Kentucky estate tax was phased out because under the Federal Economic Growth and Tax Reconciliation Act of 2001 the credit for state estate taxes was eliminated and Kentucky's estate tax was tied to the federal inheritance state tax credit.

The recent passage of federal tax cuts included a \$5 million exemption and a 35% tax rate on those estates above the exemption level. It also reinstated the state tax credit for those estates over \$5 million. However, keep in mind these tax provisions, included the estate tax exemption levels, expire at the end of 2012.

Kentucky still has an inheritance tax which is a tax on a beneficiary's right to receive property from a deceased person. Under Kentucky law there are three classes of beneficiaries:

Class A – Spouse, Parent, Child, Grandchild, Brother, and Sister

Class B – Niece, Nephew, Daughter-in-law, Son-in-law, Aunt, Uncle, Great Grandchild

Class C – Include all persons not included in Class A or Class B

There are different levels of inheritance tax depending on the beneficiary's class, Class A are exempt if the date of death is after June 30, 1998, Class B receive a \$1,000 exemption and the tax rate ranges from four to sixteen percent, Class C receive a \$500 exemption and the tax rate ranges from six to sixteen percent. These taxes, paid to the state, are in addition to any federal death taxes that may be owed by a beneficiary.

During the 2009 session of the General Assembly, a bill was filed to decouple Kentucky's estate tax from the federal credit; this would have reinstated Kentucky's estate tax and further burdened Kentucky families with additional death taxes.

Farm family estates face heavier, potentially more disruptive death tax burdens than other family estates. Land and equipment are primary assets for many farm families across the Commonwealth, and additional death taxes imposed by Kentucky would make it even more difficult to continue farming in Kentucky as we know it.

Farm Bureau Policy:

“We support the permanent repeal of Kentucky's estate tax.”

STATUS AFTER 2011 REGULAR SESSION

No legislation introduced – Status Quo



2011 Kentucky Farm Bureau State Priority Issues

STATE BOARD OF AGRICULTURE

Support broadening production agriculture representation on the State Board of Agriculture.

The State Board of Agriculture was established on October 1, 1942 and is housed in the Kentucky Department of Agriculture. The duties and powers of the board have been amended twice since 1942, with the latest amendments going into effect in June 2009. The board has a broad range of powers and duties that are primarily regulatory in nature.

The current make up of the State Board of Agriculture received a lot of discussion during the Kentucky Livestock Care Standards Commission debate last session. The statute that governs the make up of the board states the nine voting members from the state at large shall be experienced and practical farmers or agriculturalist and no more than five of the nine shall belong to the same political party.

During the 2010 session of the Kentucky General Assembly, HB 571 was filed which would have changed the make up of the State Board of Agriculture. This change would have included a representative from the seven commodity specific organizations that represent the agricultural commodities with the greatest cash receipts from farm marketings.

Kentucky agriculture has been fortunate over the years to have agricultural friendly Governors and this has transcended into an agricultural friendly State Board of Agriculture. However, if this should change and given the fact the Governor has nine appointments to the State Board of Agriculture, the potential would exist for regulations that could be detrimental to production agriculture. This is why Kentucky Farm Bureau supports the broadening of production agriculture representation on the State Board of Agriculture to ensure the long-term viability of Kentucky agricultural economy.

Farm Bureau Policy:

“We recommend that the state board of agriculture consist of commodity specific members and at least one member representing Farm Bureau.”

STATUS AFTER 2011 REGULAR SESSION

HB 205 introduced but not passed – Status Quo



2011 Kentucky Farm Bureau State Priority Issues

PRIVATE PROPERTY RIGHTS/TRESPASS

Protect the rights of Kentucky's landowners when dealing with regional planning issues, eminent domain laws, or smart growth initiatives.

As Kentucky's cities and infrastructure grow, property owned by Kentuckians is often needed to further growth. Through this process, individual rights are sometimes forfeited for the betterment of the larger community. While Kentucky Farm Bureau realizes that growth is inevitable, care must be taken to not violate the property rights of Kentuckians. We oppose public access to or through private property without permission of the property owner. Additionally, property owners should be fully and fairly compensated for property taken for regional planning, eminent domain, and smart growth initiatives.

Farm Bureau Policy:

"We oppose any legislation that would allow public access to or through private property without permission of the property owner or authorized agent. We oppose scientific or archeological activity being conducted on private land without written permission from, and compensation to, the landowner."

"We recommend that Kentucky's law be changed to provide that trespassing shall constitute a criminal offense subject to a reasonable fine and/or other punishment."

STATUS AFTER 2011 REGULAR SESSION

No adverse legislation passed - Success



2011 Kentucky Farm Bureau State Priority Issues

TRANSPORTATION

Support legislation that clearly defines the right of farmers to transport their products to market and to move their equipment by the most economically feasible method.

Recently the Kentucky Transportation Cabinet (KYTC) passed an emergency regulation that has had a negative impact on farmers being able to transport agriculture products, farm implements and farm equipment.

Kentucky Farm Bureau realizes that farmers in the Commonwealth need to have sufficient regulations to keep our roads safe when transporting their products and equipment. However, many current transportation regulations are unclear and unnecessarily prohibitive to our farmers. We are currently working with KYTC to try to make these regulations clearer and to alleviate regulations that are non-essential for farm vehicles to remain safe on the roads.

The current regulations puts undo economic hardships on farmers trying to get from farm to market or from market to farm. If we are unable to come to an agreement with KYTC we will support legislation that will correct these issues which are unnecessary and unfair.

Farm Bureau Policy:

“We support legislation that clearly defines the right of Farmers to transport their products to market and to move their equipment by the most economically feasible method.”

STATUS AFTER 2011 REGULAR SESSION

SB 79 passed and was signed by the Governor - Success



2011 Kentucky Farm Bureau State Priority Issues

CAREER AND TECHNICAL EDUCATION

Ensure that career and technical education remains a strong and viable program in Kentucky.

Recently the Kentucky Department of Education (KDE) put a plan into effect that took the status of Career and Technical Education from a prominent division level program to a less prominent branch level program in the organizational make up within KDE.

Kentucky Farm Bureau has long supported Career and Technical Education programs in the state. We feel that these programs are important to many sectors of our economy including but not limited to; agriculture, education, industry, and health. We also believe that Career and Technical Education can have an overall positive impact on Kentucky as a whole.

The current plan would not only de-emphasize the importance of the Career and Technical Education Division it would add responsibilities that were not included in the division before. While we support having these additional responsibilities we believe that Career and Technical Education should return to division level status within the Department.

Farm Bureau Policy:

“We support all school districts in providing more equitable access to career and technical education based on workforce development needs.”

“We recommend that an adequately and equitable level of funding and state staffing be permanently established for all areas of career and technical education.”

STATUS AFTER 2011 REGULAR SESSION

SB 36 introduced but did not pass – Status Quo



2011 Kentucky Farm Bureau State Priority Issues

AGRICULTURE PROGRAMS AND SERVICES

Maintain allocating 50% of the Master Settlement Agreement funds to the Agricultural Development Board and funds be spent for the purpose of improving net farm income of individual farmers in production agriculture.

The legislature should be commended for their support of maintaining 50% of the Master Settlement Agreement funds to agriculture. In previous sessions, the General Assembly showed their commitment to the agriculture community by doing so.

Agriculture has taken advantage of the opportunity granted by the Kentucky General Assembly. Agricultural development funds have been utilized to fund innovative proposals that have increased net farm income and affected tobacco farmers, tobacco-impacted communities, and agriculture across the state through stimulating markets for Kentucky agricultural products, finding new ways to add value to Kentucky agricultural products, and exploring new opportunities for Kentucky farms and farm products.

The Kentucky Agricultural Development Board has funded a wide variety of projects to diversify Kentucky agriculture, including an ethanol plant, bio-diesel facility, farmers markets, agri-tourism projects, and processing facilities. In addition, there is the opportunity for farmers all across the state to diversify their farming operation by participating in County Agriculture Investment Programs which offer farmers a number of investment areas from forestry to aquaculture to livestock.

Communities all across Kentucky are continuing to feel the benefits of the funds allocated to agriculture. When profitable, farmers are the major economic stimulus for rural communities. In fact, Kentucky's farm receipts were estimated at \$4.7 billion last year. This is testimony that the General Assembly investment in agriculture is paying dividends to Kentucky's overall economy. Agriculture's portion of the Master Settlement Agreement is not just an investment in Kentucky's farmers; it is an investment in Kentucky's future as a whole. As producers look to the future to diversify their farming operations, tobacco funds will prove to be essential now more than ever to achieve this goal.

Many of the projects funded by Master Settlement Agreement monies are ongoing and need additional funding over the next few years. Kentucky Farm Bureau hopes the legislature will again show their commitment to agriculture and appropriate 50% of the Master Settlement Funds for farm-based initiatives.

Kentucky Farm Bureau believes that the current structure and allocation formula for the disbursement of Master Settlement Agreement Funds is the proper process. We support giving two-thirds of the funding to the Agricultural Development Board, with one-third being used by county councils, pending approval by the state board. Furthermore, we believe agricultural development funds should be utilized to improve net farm income of farmers in production agriculture.

Kentucky Farm Bureau believes that the current structure and allocation formula for the disbursement of Master Settlement Agreement Funds is the proper process. We support giving two-thirds of the funding to the Agricultural Development Board, with one-third being used by county councils, pending approval by the state board. Furthermore, we believe agricultural development funds should be utilized to improve net farm income of farmers in production agriculture.

We hope the General Assembly will continue to support the current structure and allocation formula for the disbursement of Master Settlement Agreement Funds.

Farm Bureau Policy:

“We support more dollars of agricultural development funds be spent for the purpose of increasing net farm income of individual farmers in productions agriculture.”

“We recommend no changes in the Master Settlement Agreement and encourage the State of Kentucky to leave the settlement “as is”.”

STATUS AFTER 2011 REGULAR SESSION

Master Settlement Agreement Funds did not get cut - Success



2011 Kentucky Farm Bureau State Priority Issues

AGRICULTURE PROGRAMS AND SERVICES

Support funding for the Breathitt Veterinary Center.

The Breathitt Veterinary Center continues to be in serious need of state funding. This funding request is for a new facility to accommodate an expanded work load and the dual role of livestock disease diagnosis and other homeland security disease control projects. We encourage the General Assembly to fund the Breathitt Veterinary Center.

The projects goal is to improve services to Kentucky's livestock and poultry industries with new technologies to promote animal health and productivity, as well as to position the lab to address biosecurity issues for animal and human health.

The Department for Homeland Security believes our food supply is our most vulnerable resource. With that in mind, facing the threat of bio-terrorism, we need strong diagnostic laboratories to ensure that Kentucky farmers are capable of handling the unlikely event of a livestock epidemic.

Farm Bureau Policy:

“We request the General Assembly to provide the State Department of Agriculture and the diagnostic laboratories with sufficient space and funds to conduct strong programs of detection and elimination of livestock and poultry disease. We recommend that both Kentucky’s diagnostic laboratories be line items in their respective university budgets.”

STATUS AFTER 2011 REGULAR SESSION

No legislation was introduced on this issue – Status Quo



2011 Kentucky Farm Bureau State Priority Issues

AGRICULTURE PROGRAMS AND SERVICES

Support continued funding of the Soil Erosion and Water Quality Cost-Share Program.

We support General Fund appropriations of \$1.5 million each year to the Soil Erosion and Water Quality Cost-Share Program to assist landowners in installing needed best management practices. These best management practices are required to meet the goals of pollution reduction from agriculture and silviculture activities as stated in the federal Clean Water Act and the Kentucky Agriculture Water Quality Act (AWQA). Pollution control practices are expensive and the producer does not have the ability to pass on these expenses in the sale of their product. Through the Soil Erosion and Water Quality Cost-Share Program, the public will share in the cost of protecting our natural resources.

The AWQA requires that all agriculture and silviculture landowners fully implement their individual water quality plans. And, with the continued increase in animal waste standards, producers will continue their high demand for cost-share assistance. Currently, cost-share program funding is provided by the direct appropriation of \$9,000,000 in Phase I Tobacco Settlement Funds. In 2012, this amount will be reduced to \$6 million.

Finally, we support General Fund appropriations of at least \$2,575,000 annually to conservation districts to fund technical personnel and offices in all 120 counties who will provide assistance to landowners through their local conservation district in implementing their Ag Water Quality Plans.

Farm Bureau Policy:

“We support continuation of General Fund dollars and Kentucky Department of Agriculture dollars to the Kentucky Soil Erosion and Water Quality Cost-Share Program administered by the State Division of Conservation through local conservation districts to help farmers install best management practices to meet the requirements of the Kentucky Agriculture Water Quality Act.”

STATUS AFTER 2011 REGULAR SESSION

Funding was not cut - Success



2011 Kentucky Farm Bureau State Priority Issues

AGRICULTURE PROGRAMS AND SERVICES

Support an efficient, well-administered and adequately financed Kentucky Department of Agriculture.

Adequate funding for the Kentucky Department of Agriculture is critical in order to maintain profitable and productive farms. Farmers and consumers depend on the Department of Agriculture for all types of services.

As global markets change, helping Kentucky farmers to market their products has become valuable. Most farmers do not have the resources necessary to successfully market their products on an individual basis. As a result, the Kentucky Department of Agriculture has become a leader in the marketing of Kentucky's agricultural products. Programs like "Kentucky Proud" have encouraged consumers to buy Kentucky products, keeping money in the state, and making Kentucky farms more profitable. This year the Department of Agriculture is seeking funds to maintain this very important program. We support continued funding for all of the Kentucky Department of Agriculture's marketing programs because they help farmers increase their bottom line.

In addition to assisting farmers market their products, the Kentucky Department of Agriculture performs many other duties. The Office of the State Veterinarian is charged with keeping Kentucky's livestock free of disease. Livestock account for some \$3 billion in farm gate cash receipts in a normal year, so the operation of the state veterinarian's office is of great importance to the agriculture economy.

The Kentucky Department of Agriculture also assists with local agricultural fairs, tests hay quality, promotes farm and home safety, and plays many other important roles in Kentucky agriculture. But the Department's functions extend well beyond the farm.

The Department's regulatory arm checks motor fuel pumps and price scanners for accuracy, tests motor fuel for quality, inspects amusement rides, checks eggs, regulates the pesticide industry in Kentucky, tests commercial scales and performs numerous other duties.

Given the tremendous responsibilities the Kentucky Department of Agriculture has, it is of vital importance to not only farmers, but all the citizens of Kentucky, that they receive sufficient funding this session to carry out these duties.

Farm Bureau Policy:

"We support an efficient, well-administered and adequately financed Department of Agriculture. We support the Kentucky Department of Agriculture be primarily financed by dedicated resources of revenue, and recommend an increase in the budget's baseline to bring the marketing and promotion budget in line with other states."

STATUS AFTER 2011 REGULAR SESSION

Funding was not cut - Success



2011 Kentucky Farm Bureau State Priority Issues

AGRICULTURE PROGRAMS AND SERVICES

Recommend sufficient funding be made available to maintain a strong grain elevator inspection program for the protection of farmers and protect the farmer-financed Grain Insurance Program.

Kentucky Farm Bureau supports sufficient funding in the Department of Agriculture's budget to maintain a strong grain elevator inspection program. The proper inspection of grain elevators is essential in providing farmers with a reliable market and/or storage facilities for their grain. The Department is required by statute to inspect licensed elevators twice each year. The purpose of the inspection is to determine the following: if grain is in storage or statements show that the grain is accounted for; the condition of storage facilities; and conditions of grain in storage.

Farmers have the option of paying into the Kentucky Grain Insurance Fund. The fund is capped at \$10 million the fund was established and is financed solely by farmers. Neither the General Fund or the Master Settlement Agreement dollars are used to maintain the Grain Insurance Fund.

The Grain Insurance Fund is used to help farmers recoup funds in the event that a grain elevator the farmer sold their grain to goes bankrupt. Over the years, the fund has ensured that farmers received fair market value for their grain. Without the fund, some farmers would have undoubtedly suffered severe losses with no recourse for recovering possibly an entire crop.

The fund also helps Kentucky's agricultural industry in other ways. Farmers from Tennessee, Indiana, Illinois and other border states sell grain in Kentucky because of our Grain Insurance Fund. The fund will pay farmers in other states only if they sell their grain in Kentucky, and only if they pay into the Grain Insurance Fund.

It is always tempting to use this fund for legislative projects. General Assembly members should remember that the statute states that if any money is taken from the fund, it ceases to exist. Thus, the slightest use of the Grain Insurance fund dollars will abolish the fund.

Farm Bureau Policy:

“We commend the Kentucky General Assembly for the action taken relative to the grain insurance law and encourage that it continue to be monitored for protection of farmers.”

STATUS AFTER 2011 SESSION

HB 221 passed and was signed by the Governor - Success



2011 Kentucky Farm Bureau National Priority Issues

ENVIRONMENT

Priority Issues:

- *Oppose EPA exceeding legislative authority in the implementation of the Clean Water Act and Clean Air Act programs. (CAFO permitting, TMDL, Hypoxia, Animal Waste, Pesticides NPDES permits, Air Quality & particulate matter, etc.)*
- *Oppose climate change mandates, such as carbon taxes and cap and trade policies that adversely impact agriculture.*
- *Support improvements to soil and water quality being the highest priority when considering implementation of all conservation programs such as the Conservation Reserve Program (CRP) with programs directed toward working lands.*

Legislation introduced in the 111th Congress would delete the term 'navigable' from the Clean Water Act (CWA) and redefine 'waters of the United States.' While the new makeup of Congress makes it unlikely language would gain much momentum in the 112th Congress we still expect it to be introduced. If the legislation were enacted, it would fundamentally change the law by completely unhinging the CWA from the commerce clause of the U.S. Constitution for the first time. Such a step would significantly change the intent of Congress when it enacted the CWA, resulting in the most significant expansion of the CWA since its enactment 37 years ago.

Because the CWA already regulates truly navigable waters and streams with both permanent and seasonal flows, changing the definition would open the door to the broadest possible interpretation of the CWA. Its enactment also would end claims that Congress originally intended any limits to the CWA's regulatory reach. Further, it would impede agricultural activities, impose additional unfunded mandates on state and local governments and pre-empt those governments, as well as limit some uses of private property.

EPA and the Chesapeake Bay Foundation agreed in 2010 to settle a case involving EPA's oversight of water in the Chesapeake Bay watershed. The settlement would expand EPA's oversight of animal feeding operations and applications of animal waste and crop nutrients. EPA agreed to review BMP 590 guidelines for crop nutrient and animal waste applications and is expected to revise standards for phosphorus levels in soil and water. It is also expected EPA will expand oversight of livestock feeding operations beyond current CAFO guidelines.

In 2009, the Sixth Circuit Court rendered a decision that would require NPDES (no discharge) permits for applications of pesticides to, over and near waters of the United States. Implementation of the court's decision was delayed 24 months to April, 2011 to allow EPA and states to develop rules for the permitting process. In 2010 EPA did not issue proposed permit guidance for terrestrial (general) agriculture pesticide applications, but did issue guidance for aquatic weed control, aquatic nuisance animal control, aquatic insect control and forestry canopy applications of pesticides. Many feel general agricultural pesticide applications could eventually come under fire and require general permits in the future.

In another unprecedented action, EPA re-opened its consideration of atrazine, one of the most important crop protection inputs for corn, sorghum and other crops and a pesticide that was re-registered in 2006. Atrazine was not scheduled for review again until 2013.

EPA is in the process of reviewing its National Ambient Air Quality Standard (NAAQS) for coarse particulate matter (PM₁₀). EPA is considering cutting the standard in half, despite the lack of scientific data supporting such a move. Coarse PM is essentially dust.

Climate Change

Reducing greenhouse gas (GHG) emissions to confront global climate change is receiving increased attention by Congress as they look to enact cap and trade measures that would restrict emissions. While the House passed H.R. 2454 in 2009, the Senate did not pass legislation. Legislation is expected to be introduced in the 112th Congress, but will be hard pressed to move. However, the Administration will continue to try and regulate GHG emissions through regulatory oversight from EPA.

Increased regulatory oversight could result in higher input costs to farmers, and nearly all consumers and businesses, because the cost of using fossil fuels would increase. Nearly all analysis of the legislation show that Kentucky's economy will be the hardest hit of any state due to the projected increases in energy costs. Farmers would be uniquely affected because they have little ability to pass on those increased costs when selling their product; furthermore, farmers could also suffer a competitive disadvantage in international trade markets. Climate change legislation could ultimately lead to regulation of production methods and practices as well.

Some contend that cap-and-trade legislation, or increased regulation, could provide economic opportunities for producers through carbon sequestration programs. While it is possible some producers might benefit, it is far more certain that all producers will face input higher costs. Another aspect is that not all producers (such as fruit and vegetable producers) would have the opportunity to capture such economic benefits. Producers that have implemented practices that sequester carbon or reduce emissions in years past may not even be eligible to benefit from certain carbon sequestration programs. USDA estimates agriculture accounts for roughly 6-7 percent of GHG emissions but they also contend given the right economic incentives agriculture could play a **major** role in sequestering carbon.

One thing is sure, only enacting cap and trade policy in the U.S. without countries such as China and India doing the same will not result in a reduction of GHG emissions globally.

KFB Policy:

“We oppose climate change legislation that establishes mandatory cap and trade provisions which would lead to higher energy costs and negative impacts on the agricultural economy.”

“Atrazine is a critically important product to Kentucky agriculture. Any regulatory re-evaluation should adhere to a transparent and systematic process as outlined by FIFRA, allowing producer input to ensure a high quality science based conclusion. This same transparent and systematic process should be followed for all pesticides.”

AFBF Policy:

“We believe that Congress should provide for strong congressional oversight of regulatory and significant agency actions as well as a willingness to override unacceptable agency actions. Further, we support more vigorous congressional scrutiny of agencies to prohibit regulatory agencies from administering laws, to deter adoption of agency rules and actions that circumvent statutory intent. Specific efforts should be made to oversee and to reform the inspection and rule-making authority of the Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA).”

“We oppose any individual constituent of animal waste and commercial fertilizer being labeled as a hazardous substance.”

“We support: (1) Funding for the Environmental Quality Incentive Program (EQIP). Funds should be prioritized and distributed on the local level. The primary emphasis should be water quality, soil conservation, and animal feeding operation requirements with secondary consideration given to innovative practices and wildlife;”

“We oppose: (1) Mandatory restrictions to achieve reduced agricultural greenhouse gas emissions; (2) Mandates, such as carbon taxes and cap and trade policies, that would adversely impact agriculture; (3) Any attempt to regulate methane emissions from ruminant animals under the Clean Air Act or any other legislative vehicle; and (4) Emission control rules for farming practices, farm equipment, cotton gins, grain handling facilities, etc., and urge EPA to re-evaluate the imposition of standards on farm and ranch equipment and other non-highway use machinery.”



2011 Kentucky Farm Bureau National Priority Issues

HEALTH CARE

Priority Issues:

- *Support comprehensive, affordable health care for all U.S. citizens with reforms to present law that will address the rising costs of health care.*
- *Support changes in the health insurance industry that will stabilize the market, encourage competition and increase consumer choice.*
- *Support legislation allowing Association Health Plan provisions.*
- *Support containment of health care costs through tort reform which would limit excessive damage awards.*

For many farm families, health insurance is their largest monthly payment. Over the past few years the lack of competition among providers has continued to drive premiums up, with no silver bullet to fix the health insurance situation in sight. Efforts to address health care on a national level have been unsuccessful in delivering quality health care coverage at reasonable costs to Kentuckians. The Kentucky General Assembly has also attempted to address health care issues.

Federal health care reform began in 2009 with final passage of the Patient Protection and Affordable Care Act early in 2010 and President Obama signing it into law March 23, 2010. Full implementation of the law will not occur until 2018. The stated goal of this legislation is to have affordable health care insurance available to all Americans, but the issue of health care costs is not addressed.

The 112th Congress is expected to try and reform many aspects of the Act in 2011 with a focus on addressing health care costs and addressing issues such as mandates, fines and fees and tax issues. One provision in the Act is the Form 1099 requirement where individuals will be required to complete an IRS Form 1099 for all payments, including goods and services, of \$600 or more in a calendar year made to a single non-employee. In addition to creating costs, added paperwork will be an increased burden. Not only will farm operators be required to prepare additional 1099 forms, they will also face a new administrative burden from reconciling the forms they receive from the sales of their products.

Kentucky Farm Bureau's goal remains the same – improve the health insurance market in Kentucky. We will continue to seek ways to improve the business climate in the state to bring competition back, improve the health care system and reduce health insurance costs.

KFB Policy:

“We encourage Kentucky Farm Bureau to urge the United States Congress to reform the Patient Protection and Affordable Care Act of 2010.”

“We support changes in Kentucky's health insurance laws that will stabilize the market, encourage competition and increase consumer choice.”

“We reaffirm our support for state and federal legislation that would increase the flexibility for individuals to benefit from Association Health Plans.”

“We support comprehensive affordable health care for all U.S. citizens.”

AFBF Policy:

“We support: Efforts to reduce medical malpractice insurance costs, including limitations on certain punitive and non-economic damage awards;”



2011 Kentucky Farm Bureau National Priority Issues

NATIONAL FARM POLICY

Priority Issues:

- *Support a continuation of current Farm Bill concepts and programs that maintains an effective safety net for U.S. farm production.*
- *Support allowing farmers to combine farms with less than 10 base acres for the purpose of government program eligibility.*

The Food, Conservation and Energy Act of 2008 went into effect on June 18, 2008 after successful veto overrides by the United States Senate and the United States House of Representatives. The Farm Bill contains 15 titles and is projected to cost approximately \$290 billion over the five-year period of time the act will be in effect (2008-2012). Of the total projected cost, roughly \$209 billion, or over 73 percent, would go to nutrition programs. Overall spending on farm commodity programs is decreased and now accounts for approximately 12 percent of total expenditures while conservation spending is increased and accounts for roughly 8.5 percent of expenditures.

The Farm Bill strengthened the Energy Title, including \$1 billion to leverage renewable energy investments in new technologies and new feedstocks. The Credit Title has increased focus on beginning farmers and ranchers. A new Horticulture and Organic Agriculture Title includes new specialty crop provisions, including \$2 billion in new research money and additional nutritional program spending for specialty crops and organic agriculture. The new Livestock Title which is intended to provide basic protections for producers in the livestock and poultry markets.

Aggregation (combination) of farms with fewer than 10 base acres was a clear objective of Congress when passing the 2008 Farm Bill. However, USDA announced program payments would be eliminated for all farms with fewer than 10 base acres and aggregation of farms would not be allowed. Congress passed a limited fix to this issue but the issue must be resolved for the remaining years of the Farm Bill to allow farmers who have separate farms with fewer than 10 base acres to combine those acres for USDA program participation.

The 2008 Farm Bill also established a Disaster Assistance Program to cover crop and livestock losses. The program requires farmers purchase crop insurance to be eligible for participation in any USDA declared disaster. This requirement has resulted in some instances where farmers would be required to purchase coverage on sweet corn patches, small orchards or small specialty crop fields to be eligible for disaster declarations that might be declared for program crops or livestock. Those small production areas generally would not receive any disaster assistance, and usually would not meet terms for an insurance adjustment when crop disasters are declared.

The 2008 Farm Bill provides for the continuation of agricultural programs through fiscal year 2012. Congress has held preliminary hearings on farm bill programs in 2010 to begin laying the groundwork for new farm policy and will likely continue hearings in 2011. One aspect surrounding reauthorization of farm policy has been clear throughout the hearings; budget restraints will influence what the next farm bill contains. Some in Congress have indicated a short term extension of current farm policy may occur to allow the economy to improve. Others indicate all farm programs may see across the board cuts in funding with direct payments possibly being eliminated in lieu of more robust revenue assurance risk management programs.

KFB Policy:

"We maintain that farmers must have the opportunity and should actively participate in and be properly represented in the formulation of any and all governmental programs to assist farmers which vitally affect the farm economy and rural society."

AFBF Policy:

"We support extending the concepts of the 2008 Farm Bill into the next farm bill."

"We support: (13) Changing FSA regulations to not require farms that are owned and operated by the same individual, but not contiguous, be reconstituted into one farm;"



2011 Kentucky Farm Bureau National Priority Issues

MARKET IMPROVEMENT

Priority Issue:

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

U.S. farmers and ranchers work for new trade opportunities and expanded international markets for their products. U.S. agriculture must ensure that international trade barriers are reduced and markets are opened for American products. The best opportunities for American agriculture to compete for new and expanded foreign markets will be realized through trade agreements with nations around the world.

The U.S. is now the world's largest agricultural exporter. The value of U.S. agricultural exports for FY 2009 was over \$97 billion, the second highest export level on record. The production of approximately one out of every four acres of U.S. agricultural land is exported. Grains, oilseeds, cotton and tobacco are 36 percent of the export share, with livestock products at 16 percent, horticulture at 21 percent, and the remainder in processed foods.

Expanding market access for U.S. products will enhance the economic growth and development that countries realize through increased trade.

Opening Markets through Trade Agreements

The U.S. government pursues multilateral, regional and bilateral agreements with other nations to increase trade. The current multilateral negotiation for agriculture and other sectors is the Doha Round of trade negotiations involving the 151 countries of the World Trade Organization (WTO). This negotiation has the goal of improving market access by lowering tariffs, adjusting trade-distorting domestic support programs, and eliminating export subsidies. Farm Bureau supports reducing trade barriers and expanding markets for U.S. agriculture through the WTO process.

Regional trade agreements include the North American Free Trade Agreement (NAFTA) between the U.S., Canada and Mexico and the Central American and Dominican Republic Free Trade Agreement (CAFTA-DR) between the U.S. and several Central American countries. The aim of regional agreements is to foster trade by reducing barriers to market integration and promoting economic growth. Since NAFTA was approved in 1994, Canada and Mexico continue to be the top two destinations for U.S. agricultural exports with an estimated \$30 billion of products combined for FY 2010. Grains continue to be the top agricultural export for U.S. farmers, but are expected to decline in FY 2010 while livestock, poultry and dairy along with horticultural products are expected to show improvements over the same period.

Direct agreements between the U.S. and another country to expand trade have been increasing through the use of bilateral Free Trade Agreements (FTA). These arrangements are intended to reduce and remove specific barriers to trade between two nations and develop and expand opportunities for U.S. agriculture.

Trade Promotion Authority

Trade Promotion Authority (TPA) allows Congress to consider, without amendment, trade agreements that the President negotiates. TPA, or 'fast-track,' is viewed by other governments as a necessary condition to concluding trade agreements with the United States. In order to be effective, TPA must be dedicated to expanding trade between nations, unencumbered by added labor and environmental restrictions unrelated to expanding trade opportunities. TPA expired on June 30, 2007 and has not been renewed.

Agriculture wants U.S. officials to continue working to open markets, expand economic development and support a strong rules-based trading system. The bilateral trade agreements currently under consideration with Colombia, South Korea, and Panama will lead to billions of dollars of future U.S. farm exports. The Doha Round of the World Trade Organization negotiations holds promise for the expansion of agricultural markets through the reduction of trade barriers worldwide. Without the ability to negotiate and ratify trade agreements through TPA, we will cede potential markets and economic leadership to our competitors.

In the Trade Act of 2002, Congress stipulated that U.S. trade negotiators must participate in more detailed consultations with interested congressional committees. Congress has an important role to play in the conduct of trade negotiations. This enhanced participation provides an opportunity for farmers and ranchers to work with their individual members to help them understand the necessity of expanding agricultural trade opportunities.

Farmers and ranchers must urge Congress to support a Trade Promotion Authority renewal that will benefit U.S. agriculture.

Commodity Futures

The role large speculative traders had in 2008's huge increases in commodities, including energy, grains and oilseeds, as well as the extremely wide basis levels in grain markets, had farmers and many others asking for more oversight of the commodity futures market by the Commodity Futures Trading Commission (CFTC) and Congress. In response to the lack of futures-cash convergence in the wheat market, the CME Group (A Chicago Mercantile Exchange/Chicago Board of Trade/NYMEX Company) has taken steps to improve its Chicago Board of Trade (CBOT) soft red winter wheat futures contract by adding delivery points, increasing seasonal storage charges and tightening quality standards. However, it is too early to judge the effectiveness of these changes. CME Group has also proposed additional changes which would limit the number of CBOT futures contract delivery instruments that could be held for what the exchange considers to be "non-commercial" purposes.

The mission of the CFTC is to protect market users and the public from fraud, manipulation, and abusive practices related to the sale of commodity and financial futures and options, and to foster open, competitive, and financially sound futures and option markets.

AFBF Policy:

“Aggressive efforts must be made at all levels to open new markets and expand existing markets for U.S. agricultural products.”

“Support regular and thorough review of the CFTC and commodity markets.”

“Urge CFTC to increase oversight of futures exchanges and floor traders to ensure that integrity of these markets is maintained and to curb practices that result in manipulation or artificial price swings.”



2011 Kentucky Farm Bureau National Priority Issues

RENEWABLE FUELS/ENERGY LEGISLATION

Priority Issues:

- *Support continued emphasis on a comprehensive energy plan that includes research and development of agricultural-based renewable fuels.*
- *Support clean coal technology for energy production.*

In cooperation with the Kentucky Soybean Association, the Kentucky Corn Growers Association, and the Kentucky Clean Fuels Coalition, Kentucky Farm Bureau supports an increase in the use of agriculture-based renewable fuels. We believe the timing is right for clean burning, renewable fuel to be utilized statewide. We also support the implementation of the state energy policy which includes renewable fuels. Besides lessening dependence on foreign sources of fossil fuels, renewable fuels are environmentally friendly.

The use of biodiesel and ethanol has already been proven effective. Municipalities and school districts across the Commonwealth are utilizing biodiesel as an alternative to diesel fuel and many of Kentucky's state parks began using biodiesel in 2004. Ethanol is currently being produced in the state at a rate of over 35 million gallons per year. With current federal rules raising the renewable fuels standard to 36 billion gallons by 2022 there is room for further expansion. This not only helps with clean air, it also helps improve net income of farmers in the state. We must now focus our attention on making biodiesel more affordable and more available at the pump, and tax incentives are the most effective way to accomplish this. We support efforts that will further promote usage of ethanol and biodiesel in Kentucky.

Kentucky can also play a major role in the development and use of biomass in renewable energy production. Miscanthus, switchgrass and woody biomass production could eventually prove to be economically feasible fuels for electric power generation while providing an economic return for Kentucky producers.

We believe the time is right to start making the most of our own clean, safe domestic energy sources, and what better place to start than with renewable fuels?

KFB Policy:

"We support use of coal gasification technology to produce nitrogen based fertilizers."

"We support:

- (1) continued research and development to expand production of renewable fuels from agricultural commodities, further reducing America's dependence on foreign oil.*
- (2) Establishment of state incentives to support increased production and use of agricultural-based fuels.*
- (3) The use and conversion of waste products for expanded forms of energy.*
- (4) Tax incentives for the usage of alternative forms of energy.*
- (5) State incentives and programs to promote energy efficiency and conservation on farms.*
- (6) Implementation of a state and national energy policy."*

"We support the goals of 25 X '25 which are: by the year 2025 America's farms, ranches, and forests will provide twenty-five percent of the total energy consumed in the United States without sacrificing the production of safe, abundant and affordable food, feed, and fiber."

"We oppose:

- (3) Mandatory cap and trade regulations that will increase energy costs in Kentucky by penalizing coal-based energy generation."*



2011 Kentucky Farm Bureau National Priority Issues

FARM LABOR

Priority Issue:

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

America's farmers and ranchers face a "Catch 22" when verifying the status of their workforce. It is illegal to "knowingly" hire someone who is not authorized to work in the U.S., but an employer is limited in what he or she may ask to determine who is authorized. If the employer requests more or different documents when the original documents presented to him or her appear reasonable on their face, then the employer could be subject to Justice Department investigation or a lawsuit for unlawful discrimination. If, on the other hand, the employer accepts those documents but later is notified by the Social Security administration that information contained in the documents does not match agency records, then the employer may not be safe from prosecution for "knowingly" hiring an illegal worker.

Currently, farmers and ranchers may recruit workers from abroad under the H-2A temporary guest worker program. But the H-2A program is expensive because it requires employers to offer free housing and transportation in addition to a wage rate (the "adverse effect wage rate" or AEWR) that is frequently above market levels. Moreover, the program is excessively bureaucratic, requiring subsequent approval by four governmental agencies, Department of Labor (DOL), Department of Homeland Security (DHS), State Department and the state employment agency. It also has been a magnet for litigation, forcing some growers to spend large sums in court. Further, most year-round livestock operations are not eligible for H-2A, even though labor requirements are no less a problem for these than other operations.

Farm Bureau is working actively for immigration reform. The Department of Labor issued revisions to the H-2A program to make it easier to use while protecting workers' rights. Farm Bureau will continue to pursue every avenue for reform, but ultimately only Congress can solve this problem.

The consequences of failure for agriculture are stark. Economists estimate that up to \$9 billion in annual agricultural production is at risk of being lost to foreign competition. Farm Bureau will continue to seek every opportunity to provide a stable, legal supply of workers for U.S. agriculture.

KFB Policy:

"We encourage the development of a standardized, expedited system within the U.S. consulate's offices for processing and verification of H-2A workers."

"We support the use of the agricultural prevailing wage rate rather than the Adverse Effect Wage Rate (AEWR) in the H-2A program."

*"We support a meaningful agricultural temporary worker program and encourage the following reforms:
-a streamlined system to receive workers;
-a change from the Adverse Effect Wage Rate (AEWR) to the agricultural prevailing wage rate."*

"We support H-2A standards being more consistent with the H-2B standards, with the exception of a cap on visas."



2011 Kentucky Farm Bureau National Priority Issues

ANIMAL CARE

Priority Issue:

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

Legislative, regulatory and legal attempts by animal rights activists to restrict livestock and poultry production and processing are increasingly dedicated and sophisticated. Recent ballot initiatives in Arizona pertaining to hog production and the Proposition 2 ballot initiative in California illustrates the animal rights activist's strategy to systematically target livestock production areas. Campaigns are based on a very limited number of documented animal abuse cases, but build momentum with the general public by playing on emotions rather than sound science.

Farm Bureau has always supported the proper treatment of animals. However, we oppose initiatives, referendums or legislation that create standards above sound veterinary science and best management standards. Animals should be well treated and cared for, and current animal husbandry practices employ best management practices that meet that objective.

With a growing population, the efficient production of food is critical. Production of livestock in modern, properly maintained production facilities can produce more volume while tying up fewer land resources and can more effectively care for the animal's safety and health than free-range production. Limiting production practices based on emotion rather than sound science will do nothing more than result in significantly higher food prices.

Farm Bureau will continue to work with other agricultural-related organizations to address animal care issues. However, we must understand not everyone approves of normal food production practices. Animal care is of utmost importance to Kentucky livestock producers, and this is best exemplified by the high levels of production and low mortality rates achieved in modern livestock and poultry operations.

KFB Policy:

"We support the work of the Kentucky Board of Agriculture, the Kentucky Livestock Care Standards Commission, and the Equine Health and Welfare Council.."

"Proper care of livestock, poultry and fur-bearing animals is essential to the efficient and profitable production of food and fiber. No segment of society has more concern for the well-being of poultry and livestock than the producer. We support the right of farmers to raise livestock in accordance with commonly accepted agricultural practices."

"We oppose laws or regulations elevating the well-being of animals to a similar status as rights of people."



2011 Kentucky Farm Bureau National Priority Issues

PACKERS AND STOCKYARDS ACT

Priority Issue:

- *Recommend the Grain Inspection, Packers and Stockyards Administration (GIPSA) review the bonding requirements for livestock dealers and packers to ensure it adequately reflects their volume and maximum financial exposure.*

Eastern Livestock's default on payments for livestock purchased in 2010 has created an economic burden on livestock producers who utilized their services to market their cattle. Concerns have been raised that bonding requirements under present Grain Inspection, Packers and Stockyards Administration (GIPSA) rules for Eastern Livestock, one of the largest buyers of cattle in the United States, were not adequate. GIPSA requires marketing agencies to secure a bond to cover two days of marketing activity. According to reports, GIPSA notified Eastern Livestock to increase their bond from \$875,000 to approximately \$1.2 million in June 2010. While the company continued to operate without maintaining an adequate bond, this increased surety bond would still not cover approximately \$100-130 million Eastern Livestock has defaulted on.

Bonding requirements should reflect the potential exposure marketing agencies have for livestock purchased. Currently GIPSA's requirements are self-policed by the industry and only randomly reviewed. Current GIPSA rules are being reviewed by USDA for possible rulemaking but bonding requirements for marketing agencies are not in the current discussion.

KFB Policy:

“We support activities and proposals that will bring about increased efficiency in the marketing of agricultural products. We recommend close investigation of all mergers, ownership changes and other trends in the livestock marketing industry for actions that limit competitive marketing for livestock producers.”

“We favor a value based marketing system that allows farmers the flexibility to be legally engaged in value and volume based marketing agreements or contracts.”



2011 Kentucky Farm Bureau National Priority Issues

TAXES

Priority Issues:

- *Support permanent repeal of the Estate Tax.*
- *Support further reductions of capital gains taxes. Reductions should be made permanent.*
- *Support repeal of IRS form 1099 requirements as established under the Patient Protection and Affordable Care Act.*

Estate Tax Repeal

The two-year extension of the Bush-era tax cuts during the 'lame duck' session of the 111th Congress included language addressing federal estate taxes. The federal estate tax sets a \$5 million exemption, 35 percent tax rate on amounts above the exemption, with full stepped up basis beginning January 1, 2011. While this is short of a permanent repeal of the estate tax, it will exempt a vast majority of Kentucky farms. However, this provision expires at the end of 2012 with the exemption returning to a \$1 million exemption and 55 percent rate effective January 1, 2013 should Congress fail to make these changes permanent.

Stepped-Up Basis

Basis is the value of land, buildings and other capital assets for tax purposes. It is used to determine a gain or loss when property is sold and for calculating capital gains taxes, depreciation and many other tax computations.

Stepped-up basis has been an integral part of the tax code for the past 80 years. When property is inherited, its basis is stepped-up to reflect current market value for the new owner. If the property were sold, the sellers would pay capital gains taxes on the amount the property increased in value only while they owned it.

The alternative to stepped-up basis is carry-over basis. Under carry-over basis, when property is inherited, the new owner also inherits the decedent's basis. If the property were sold, the person would pay capital gains taxes on the amount the property increased in value while that person and the person who gave it to them owned it.

Example: A farmer owns land that he bought for \$100,000. When he dies the land is worth \$500,000. The farmer's heir sells the property for \$500,000. Using stepped-up basis, no capital gains taxes are owed. Using carry-over basis, \$60,000 in capital gains taxes are due (15 percent of \$400,000).

Capital Gains Tax

The 111th Congress passed a two-year extension of the 15 percent capital gains tax for taxpayers in the 25 percent bracket and above. The capital gains tax would have risen to 20 percent on January 1, 2011 if Congress had failed to act. Without action in the 112th Congress, since this rate is temporary it will move to 20 percent on January 1, 2013.

IRS Form 1099

One provision in the Patient Protection and Affordable Care Act is the Form 1099 requirement where individuals will be required to complete an IRS Form 1099 for all payments, including goods and services, of \$600 or more in a calendar year made to a single non-employee. In addition to creating costs, added paperwork will be an increased burden. Not only will farm operators be required to prepare additional 1099 forms, they will also face a new administrative burden from reconciling the forms they receive from the sales of their products.

KFB Policy:

"We encourage Kentucky Farm Bureau to urge the United States Congress to reform the Patient Protection and Affordable Care Act of 2010."

AFBF Policy:

"We support permanent repeal of federal estate taxes."

"We oppose any tax on capital gains."

Contest Application and Score Sheets

District # _____

Check One: Male
 Female

KENTUCKY FARM BUREAU OUTSTANDING FARM BUREAU YOUTH CONTEST APPLICATION

Name _____
(First) (Middle) (Last)

Street Address _____

City _____ State _____ Zip Code _____

Home Phone () _____ E-Mail _____

Date of Birth _____ Age _____ Current Grade Level _____

Parent(s)/Guardian(s) Name _____

Kentucky Farm Bureau Membership is in the name of _____

Membership Number _____ Membership County _____

Signed _____
(Contestant)

Signed _____
(County Farm Bureau President or County Women's Chair)

Attach the following to this application:

- **A one-page typed or handwritten listing of applicant's extra-curricular activities, special interests and/or leadership experience.**
- **A school transcript of grades for the past two years. The transcript must be certified by a school official.**
- **A current school photo (no larger than 4x6), if available.**

Please note: All contest applications must be returned to the district women's chair seven days prior to the district contest, unless the county contest is held within that seven-day period, in order for the students to be eligible to compete.

KENTUCKY FARM BUREAU OUTSTANDING FARM BUREAU YOUTH CONTEST RULES

The purpose of the Outstanding Farm Bureau Youth Contest is to promote youth involvement in county Farm Bureau activities and to recognize leadership, achievements and awards in their schools and communities.

1. Children of all Kentucky Farm Bureau members are eligible to participate and must enter the contest in the county where the membership is paid. Contestants may only enter the contest in one county each year.
2. Contestants must be 15-years old at the time of the county contest, but not have reached 19-years old by January 1 of the following year.
3. A contestant who is married before the state contest is ineligible to enter.
4. Prior first place state winners are ineligible to enter.
5. Contestant dress for county and district level competitions is business casual (**no jeans**). For the state contest, females should wear business attire (suits, pants, skirts) and the males should wear suits (coat & tie). Business casual dress is appropriate for the personal interview portion of the state contest.
6. The contestant's school grades for the past two years, certified by a school official, must be attached, along with a one-page extra-curricular activities listing, to the application form.
7. If for any reason the county or district winner is disqualified or cannot participate, the first runner-up will represent that county or district. All district winners are expected to attend the state annual meeting unless an emergency occurs.
8. The contest will consist of a personal interview (not to exceed seven minutes). During the personal interview, contestants will be asked about school activities, special interests and career goals. The personal interview is followed by the on-stage portion of the competition. The on-stage portion consists of a two-minute prepared speech given by the contestant on a topic relating to Farm Bureau or agriculture. The contestant will be penalized a total of five points if the prepared speech exceeds two minutes.
9. The state Outstanding Farm Bureau Youth Contest is held during the Kentucky Farm Bureau Annual Meeting in Louisville in early December.

OUTSTANDING FARM BUREAU YOUTH CONTEST PERSONAL INTERVIEW SCORE SHEET

_____ FEMALE
 _____ MALE

50 Points Total

Contestant Number		1	2	3	4	5	6	7	8	9	10	11
1. General Knowledge (Activities & Achievements)	20											
2. Conversational Ability & Attitude	15											
3. Grades	10											
4. General Appearance	5											
TOTAL OF ABOVE	50											

Note: The contestant's school grades for the past two years, certified by a school official, must be attached to the application, along with a one-page listing of extra-curricular activities. Do not exceed seven minutes for each contestant's personal interview.

OUTSTANDING FARM BUREAU YOUTH CONTEST ON-STAGE/PREPARED SPEECH SCORE SHEET

_____ FEMALE
 _____ MALE

50 Points Total

Contestant Number		1	2	3	4	5	6	7	8	9	10	11
1. General Appearance	5											
2. Personality & Poise	5											
3. Content of Speech	20											
4. Delivery of Speech	20											
TOTAL OF ABOVE	50											

Note: The on-stage portion of the competition will consist of a two-minute prepared speech given by the contestant on Farm Bureau or agriculture. The contestant will be penalized a total of 5 points if the prepared speech exceeds two minutes.



“Voice of Kentucky Agriculture”