Nice To Have Met You!

Thank You!

By now I hope that I have visited with everyone. I want to thank you for the hospitality and your patience as I begin to get settled into my position. I had an opportunity to visit a lot of nice farm operations and things are beginning to come together. Please do not hesitate to give me a call if you have any questions or suggestions. The office is equipped with an answering machine so you are able to leave a message after hours. Speaking of hours, I am in the office every morning from 7:00 AM until 3:30 PM. If I am on the road please leave a message with either Linda or Carol and I will get back to you as soon as I can.

Another well-deserved thanks goes out to Darwin Foley, area specialist for Louisville. Darwin brings his 20+ years experience to the Bluegrass area by accompanying me on all of my first visits and providing training throughout my first year in this position.

THANK YOU Darwin!!!!!!!!!

About Me

My name is Colby A. Blair and I am married to Heather R. Adams-Blair. We just celebrated our 1st anniversary on October 24th. I am originally from Owensboro, KY where I attended Owensboro Catholic High School. I worked on grain, vegetable and tobacco farms as well as a BBQ restaurant, an aluminum plant, and a construction company.

I attended Transylvania University from 1991-1995 and received a B.A. in Economics. While at Transy, I worked for the U.S. Attorney’s Office, the Bureau of Prisons, and Three Chimney’s Horse Farms.

From 1995 to 1996, I attended UK where I received a M.S. in Agricultural Economics with an emphasis in Farm Management. While enrolled in UK, I continued to work at Three Chimneys and did an internship with Miles Farm Supply in Owensboro. With Miles I conducted a study on the effectiveness of a Melroe-Ingersoll Rand Spra-Coupe that was equipped with an Electronic Spray Process. I used this information to write a paper for completion of my M.S.

After graduating in December of 1996 I took a job with Novartis Crop Protection as a Sales Representative. I covered a 7 county area in southwest Indiana and primarily served grain and vegetable farms. In July of 1998 I moved back to Lexington, KY. I became a rental sales representative for Wilson Equipment Company. My territory consisted of the very same counties that I cover now with Farm Analysis. I worked that job until the current position became vacant.

Heather is currently working on her Ph.D. in Kinesiology at UK. She will defend her dissertation in March of 2000 and is presently teaching at both Transylvania University and UK. She is originally from Hindman, KY.

I enjoy most any and all sports, including NASCAR and truck & tractor pulling. I am fascinated with Kentucky history and I attend Christ the King Catholic Church.
Annual Meeting

According to our by-laws the annual meeting is to be held each November. The 1999 Annual Meeting has been set for November 22, 1999 at the Fayette County Extension Office. We will also be holding elections for vacant positions on the Board of Directors and we will be voting on an amendment to the by-laws. Jack Crowner, Senior Farm Director for KY AG-NET and owner-operator of the Farm Service Network serving radio stations in Indiana and Tennessee, will be our featured speaker. I would appreciate it if you and your family would attend. The meal will be catered by Red, Hot & Blue Memphis Pit BBQ.

What Have The Protein Diets Meant For Farmers?

CHICAGO-The high protein diet craze that has people pigging out on steak, chops and even bacon may be plumping up meat prices. “Confirmed pasta eaters are now red-meat eaters,” says Chicago analyst Bill Plummer, who is among the industry watchers contending that the phenomenon is boosting prices for meat at the wholesale level and on commodity markets.

The high-protein weight-loss diet has been promoted in such best sellers as “Protein Power” and “Dr. Atkins’ New Diet Revolution.” It’s a meat lover’s dream because it recommends lots of protein instead of carbohydrates.

At the same time, prices are rising for meat and livestock futures, which are speculative contracts for cattle, hogs and pork bellies. Prices charged by wholesalers are rising too. Demand for beef is expected to increase 1.6% over last year, the National Cattlemen’s Beef Association said yesterday. Demand for pork is up 2.3% this year, according to the National Pork Producers Council.

Live cattle futures on the Chicago Mercantile Exchange are in the healthy $0.70/pound range. And wholesale prices for fresh pork bellies, from which bacon is made, have flirted with the $0.80/pound mark. That surpasses even the traditionally pricier untrimmed pork loins, though at least some of the rise is attributed to the flooding in North Carolina that wiped out about 30,000 hogs.

Dan Vaught, a livestock analyst with A.G. Edwards & Sons in St. Louis, says the high-protein fad is playing a role in bolstering hog prices, which traditionally drop when people put their grills away as summer ends. Analyst Michael Swinford of Rosenthal-Collins Inc. in Chicago thinks the fad will be short-lived, especially because the American Dietetic Association recently called high-protein diets “a nightmare.”

“Protein Power” and “Dr. Atkins’ New Diet Revolution.” It’s a meat lover’s dream because it recommends lots of protein instead of carbohydrates.

Farmers To Receive $8.7 Billion

WASHINGTON-Despite low corn and soybean prices, a typical Iowa farmer stands to clear $48,000 this year, thanks to good weather and the federal farm program. Now $16,000 more is coming from Washington. In Texas, where a 1,700-acre cotton farm can expect to earn about $180,000, the government is going to make it an even $200,000.

On many farms, the aid is expected to boost income by 25% to 30% or more even as producers are bringing in bumper crops, according to an analysis by Texas A&M University’s Agricultural and Food Policy Center. The cash comes from the $8.7 billion package of emergency farm assistance that President Clinton signed into law on Friday. Iowa alone will get about $610 million, or $25 for every acre of farmland. That would increase the state’s net farm income this year to $2.6 billion, $400 million over 1998.

“From an economic standpoint the year is looking pretty positive and certainly brighter if the president signed that bill,” said Ron McCartney, speaking over the din of his combine as he harvested his northeast Iowa farm last week.

Farmers in Kentucky are to receive $64 million in emergency assistance. In Indiana, farmers will receive $267 million. The assistance package will benefit virtually every grain and cotton farm in the country, large or small, regardless of their financial situation or how good their crops were; the bigger the farm, the bigger the check.

Existing government programs, which guarantee minimum prices for crops such as wheat, corn, soybeans and cotton, ensure that most farmers can make enough to cover their operating costs, economists say. But some farmers, especially those who borrowed heavily for land and equipment, say they would have trouble staying in business without additional government aid.

With the extra money, a 950-acre corn and soybean farm in Iowa will have a net income, not including long-term debt and depreciation costs, of about $64,000, according to the Texas A&M analysis. A 2,200-acre Iowa farm would get an extra $38,000, boosting its net income for the year to $146,000.

The effect of the aid varies widely according to crop and region of the country, but it is a significant amount of money for nearly any operation:

* A 425-acre rice operation in California would get $53,000, more than double what the farm would otherwise make this year. Rice farmers have been hit particularly hard by a slump in export markets.
* A typical farm in eastern North Dakota that grows wheat, barley and sunflowers would get $18,000, adding 31% to the operation’s expected income.
* In South Carolina, a 1,500-acre corn and soybean operation would get $30,000, increasing its net income by 35%.

Most of the money in the aid package, about $6 billion, was designed to compensate farmers for depressed commodity prices. Of that, $5.5 billion is going to growers as a doubling of the annual “market transition” payments they normally would get under the 1996 farm law. The new total payment for the year is capped at $160,000 per farm; landowners can receive some of the money so long as they share in the expenses of the farm. An additional $475 million in the aid package is earmarked for farmers who grow...
soybeans, sunflowers and other oilseed crops that were omitted from the market transition payments. An additional $1.4 billion in the aid package will go to producers, primarily on the east coast, who lost crops to drought and flooding this year.

Critics of the bailout say too much money is going to large farms and landowners in a handful of states. Six states - Iowa, Illinois, Texas, Nebraska, Kansas, and Minnesota - will get $2.8 billion among them. Some farmers fear that better-off producers will use the extra cash to expand their operations, driving up land values in the process. At the very least, economists agree, the payments will prevent land rents from falling.

“It seems like everybody is getting the money, regardless of need,” said Don Peterson, a specialist in farm management at South Dakota State University. “It’s going to allow those that had good yields...to gobble up those that had bad luck.”

The Clinton administration has expressed similar concerns. “The current farm programs tend to reinforce larger operations,” said Agriculture Secretary Dan Glickman. Farm organizations resisted Glickman’s efforts to change the way the aid would be delivered, saying that would only slow the payments. Farmers say that operations of all sizes need and deserve the help until commodity prices rebound. With grain surpluses worldwide, prices are expected to remain low at least through next year unless there are large-scale crop failures.

“There’s no question that the money they’re throwing us is going to be helpful...but it’s not really a long-term solution by any means,” said McCartney.

The following time line may help explain the change in yields through the century.

<table>
<thead>
<tr>
<th>Year</th>
<th>Corn*</th>
<th>Beans*</th>
<th>Wheat*</th>
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<tbody>
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</tr>
<tr>
<td>1930</td>
<td>20.5</td>
<td>13.0</td>
<td>14.2</td>
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<td>28.9</td>
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</tr>
<tr>
<td>1990</td>
<td>118.5</td>
<td>34.2</td>
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</tr>
</tbody>
</table>

* bushels/acre

Yields Through The Century

The following time line may help explain the change in yields through the century.

1920-40: Gradual increase in farm production results from expanded use of mechanized power.

1930-35: Use of hybrid seed corn becomes common in the Corn Belt.


1945-70: Change from horses to tractors; the second American agricultural revolution.

1950s-60s: NH₃ increasingly used as cheap source of nitrogen, spurring higher yields.

1960s: Single cross hybrids, intensive crop management.

1960: 95% of corn acreage planted with hybrid seed.


1981: U.S. fertilizer consumption peaked at 23.7 million nutrient tons.

Mid-1990s: Introduction of herbicide-tolerant and insect-resistant crops.

1997: Phosphate and potash use increased by 1% and 2%, respectively, and stood at 22.3 million short tons.

How Many People Does One Farmer Supply?

1930: One farmer supplies 9.8 people.

1940: One farmer supplies 10.7 people.

1950: One farmer supplies 15.5 people.

1960: One farmer supplies 25.8 people.

1970: One farmer supplies 75.8 people.

1980: One farmer supplies 115 people.

1995: One farmer supplies 129 people.

Did You Know?

1900-09: The average annual value of agricultural exports was $917 million, or 58% of all exports.

1902: Congress passed the Reclamation Act, which enabled the creation of major irrigation projects in the arid West on federal land.

1902: Albert B. Graham laid the groundwork for the 4-H club when he organized an agricultural boys’ club in Springfield Township, OH.

1900-10: One of the most influential individuals in agriculture of the 20th century, George Washington Carver, developed more than 300 products from the peanut and discovered more than 100 uses for the sweet potato.
1914: The Smith Lever Act created the Cooperative Federal-State Extension Service, setting up a partnership between USDA and state colleges and universities.

1910-15: Big open-gear gasoline-powered tractors came into use in areas of extensive farming. About 1,000 tractors were in use in 1910 and by 1920, approximately 246,000 were in use.

1920s: William Volck helped launch chemical pest control with the development of summer spray oils for use on fruit trees.

1921: In the world’s first “crop duster,” John A. Macready took off from a field in Dayton, OH, and applied 100-pound load of calcium arsenate dust to a caterpillar-infested grove of catalpa trees a few miles away.

1922: President Harding signed the Capper-Volstead Act, protecting farmers against prosecution under antitrust laws. The National Cooperative Council would form in 1929.

1926: The first hybrid seed corn company, Hi-Bred Corn Co., was founded by the influential Henry A. Wallace. Hi-Bred Corn Co. would eventually become the current Pioneer Hi-Bred international, Inc.

1928: The Future Farmers of America, FFA, was founded bringing agriculture, education and America’s youth together.

1930s: The “Dirty Thirties” or “Dust Bowl Days” were marked by blizzards, tornadoes, floods, droughts and dirt storms. The Dust Bowl, hitting the Southern and Great Plains regions the hardest, led to the development of soil conservation methods in agriculture.

1940s: First introduced in the 30s, but not widely adopted until the 40s, hybrid seed raised yields to new heights and made farmers aware of the importance of proper fertilization.

1941-45: Clarence Birdseye was instrumental in popularizing the frozen-food industry, and by 1949, Birdseye had perfected the anhydrous process, which reduced the time needed for food freezing from 18 hours to one-half hour.

1945-55: Increased use of pesticides, including DDT, which was used all over the world to improve crop yields and public health. From 1940 to 1970, more than 4 billion pounds were applied, with 80% used in agriculture.

1940s-50s: Anhydrous ammonia increased in usage as a cheap source of nitrogen and increased yields.

1940s-50s: Increased use of fertilizer as bulk blending plants were built. One of the first bulk blending plants was built in Culpeper, VA in 1947 by Southern States Cooperative.

1953: President Eisenhower signed the Farm Credit Act, FCA, which provided for the establishment of production credit associations to make short-term and intermediate-term loans to farmers.

1960s: The high flotation tire was first introduced, spurring the development of the application business and contributing to wide adoption of bulk blend fertilizers.

1960s: Soybean acreage expanded in the U.S. as farmers increasingly saw it as an alternative crop.

1970: President Nixon established the Environmental Protection Agency, which has made monumental changes in the way pesticides are regulated.

1970: Known as the father of the “Green Revolution,” Dr. Norman Borlaug won the Nobel Peace Prize. He has been a constant champion for the use of fertilizers and crop chemicals in food production.

1977: Under the sponsorship of the Iowa Fertilizer and Chemical Association, the National Custom Applicators Exposition was launched as the “greatest show on earth.” For the first time, dealers and applicators could test drive new equipment under field conditions.

1980s: The aerial application industry battles for its life as stricter application regulations come into play.

1980s: No-till and low-till farming practices gain wide adaptation as an efficient and effective way to conserve soil. Farmers are attracted to the fuel, machinery and time savings.

1984: USDA Secretary John Block implements the payment-in-kind, PIK, program, resulting in the third-largest acreage reduction ever and a substantial decline in sales of crop inputs.

1990s: Biotechnology advances bring new developments in crop, livestock and other commodities.

1990s: Site-specific farming gains popularity, as technologies such as variable-rate application, global positioning systems, remote sensing and yield monitors make agriculture “information intensive.”

1996: Agricultural exports set a new record at $59.8 billion and net farm income exceeds $51 billion, also a new record.

1996-99: The FQPA passed by unanimous votes in Congress and ended the Delaney Clause, but also imposed sweeping changes in pesticide registration. Three years later, EPA administrator Carol Browner announced a ban on methyl parathion and a cut in uses for azinphos-methyl.

County Spotlights

The following table shows how counties in the Bluegrass area stack up against the rest of the state in terms of burley tobacco pounds of production for 1998, number of all cattle and calves on 1/1/99, tons of alfalfa hay for 1998, and 1998 milk production pounds. The number shown represents a ranking out of 120 counties.

<table>
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<th>Burley</th>
<th>Cattle</th>
<th>Alfalfa</th>
<th>Milk</th>
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<td>11</td>
<td>1</td>
<td>3</td>
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Your Suggestions Are Welcome

I encourage you to make suggestions for future BFA Newsletters. If you would like to hear about a specific topic please call the office and I will research it for you and provide a story for the next newsletter.