



Kentucky Cooperator

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SAVE THE DATE

**KCARD Winter Board Meeting
January 8, 2009**

Newsletter designed by Keeton Communications

Bluegrass Lamb and Goat: USDA Certified & Open for Business

Dedication and determination have been the drivers for a group of producers with a dream to provide Kentucky's goat and sheep producers an opportunity to process their animals locally. Roger Thacker, Richard VanSickle, and Gil Myers have worked tirelessly over the years in Kentucky's sheep and goat industries as volunteers and leaders in their industry organizations.

As the Kentucky goat industry began to grow and the sheep industry began to slowly rebound from its falling numbers, this group of producers and leaders realized there was something important missing in Kentucky's small ruminant industry, a processing facility with a focus on goats and sheep.

"We discovered there was an idle processing plant in Garrard County, which was not benefiting anyone in Kentucky agriculture or the consumers," explained



Bluegrass Owners and staff: Richard VanSickle, owner; David Blanton; Shawwna Carney; Roger Thacker, owner; Paul Osborne, owner; Gil Myers, owner; and Dennis Rothweiler

Gil Myers. "So by digging deep in our own pockets and with assistance from both the Kentucky Agriculture Development Board and the National Sheep and Goat Fund we were able to purchase the idle facility in 2007."

Thacker, VanSickle, and Myers were joined by another investor Paul Osborne and the four officially opened the Bluegrass Lamb & Goat, LLC processing facility in October 2007.

Community and Cooperation

Myers said the small business has received a warm welcome from Kentucky agriculture organizations as well as

the local community. In fact, Garrard County and ten other counties in the state have shown their support by providing county level Agriculture Development Funds to the project.

It isn't just the financial support that has led to the early success of Bluegrass Lamb and Goat. Myers admits that it is also the business development and industry support that has been critical to the success of the operation.

"We are really blessed here in Kentucky to have a cooperative approach to agriculture and agricultural development," said

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Managing in today's economy

Managing your business even in the best of economic times is not easy, but it can be especially daunting during periods of economic downturn.

Good managers are always aware of the economic environment in which their business operates but they don't let it change their every day management practices or disciplines.

If you are managing your own business during these turbulent economic times, do not throw up your hands in despair or to adopt a defeatist attitude.

Now is the time to give serious thought as to how you might manage your business better.

This is a time that good managers adopt a positive "can do" attitude, sharpen their managerial skills, and give extra effort to management functions such as planning, organizing, directing, and financial controls.

Business adversity during periods of economic uncertainty creates opportunities for businesses with savvy managers. Managers that look for opportunities and position themselves to act quickly to capture them.

It is a time to capture market share from other businesses if your business offers a better perceived value to the consumer. It is a time to double up on your efforts to provide better service and value to prospective customers.

Price is not the only value that consumers consider, they also value service, consistent quality, product safety, and other services. Consumers want to feel good about supporting local ag entrepreneurs and Kentucky farmers.

During economic slowdowns is the time to be especially vigilant

and aware of the costs of operating the business.

Careful review and analysis of expenses verses income will allow you to make the needed adjustments to survive these tough times. It will keep you from making irrational cost cutting decisions that could do more harm than good to the business. It will also allow you to make the most return from every dollar spent and that should be the ultimate goal for all businesses.

Think smarter, manage better and your business can prosper even during the worst of times!

KCARD Services

The Kentucky Entrepreneur Project

Entrepreneurship and therefore "the entrepreneur", is at the core of what makes an enterprise succeed, yet entrepreneurship is often a challenging undertaking.

To help Kentucky's rural and agriculture entrepreneurs overcome many of the obstacles that prove to be a challenge in starting a new business venture, KCARD is working with the KY Department of Ag, the

Governor's Office of Ag Policy, UK College of Ag, KY SBDC, the KY Center for Rural Development, the KY Coaches Institute, KY Highland Investment Corp, USDA Farm Services, USDA Rural Development, and Community Farm Alliance on a new Kentucky Entrepreneurship Project.

The economic impact of entrepreneurship is the driving force in supporting this effort. In Kentucky,

small businesses started by an entrepreneur represent 93% of the total businesses in the state, becoming the backbone of the state's economy.

Currently the collaborative is working to update, identify and compile existing resources available in Kentucky and beyond for entrepreneurship development.



An entrepreneur can find great marketing ideas even in the worse of times.

The goal of the Kentucky Entrepreneurship Project is to create a comprehensive communication and networking program for entrepreneurship assistance in Kentucky.

Lamb & Goat...continued from front

Myers. “Organizations like the Kentucky Center for Agriculture and Rural Development—KCARD—are great assets to new and growing businesses that need guidance in business development.”

KCARD has worked with Bluegrass Lamb and Goat since the facility opened, providing basic business development assistance and technical services ranging from accounting software setup to efficiency improvement recommendations.

Myers explained that the owners and staff of Bluegrass Lamb and Goat have benefitted greatly from business development resources provided by KCARD staff, most recently by helping staff with QuickBooks training.

“Bluegrass Goat and Lamb owners developed a very pro-active business plan to initially start their business,” explained Larry Snell, KCARD Executive Director. “I am confident that they will implement the plan to reach their objectives and that the business will benefit many Kentucky sheep and goat

producers.”

Kentucky Proud and USDA Inspected

“As a custom processor, which is what we were when we opened in the fall of 2007, we could only provide products for family use,” said Myers in talking about the importance of being a USDA inspected facility since May 2008. “In contrast, USDA inspected and labeled products may be sold to restaurants, groceries and transported across state lines opening up new marketing opportunities for producers.”

Myers says part of the initiative of Bluegrass Lamb and Goat is to help producers look for opportunities to market their value added products. Currently, they are working with about half a dozen producers to help them with their marketing efforts.

Myers said that some producers are working with restaurants to provide a whole fresh product, as specialty chefs want the opportunity to further process the meat in cuts for unique dishes.



Bluegrass Lamb and Goat has the equipment to individually vacuum pack products.

Myers encourages sheep and goat producers interested in direct marketing or just having fresh meat for the family to contact Bluegrass Lamb and Goat. He does stress that the facility follows all state regulations and reminds all producers that for a goat or sheep to be purchased or processed—custom or USDA—it must have a scrapie tag.

“It has been a long process to get to this point, but we are excited to be able to provide a much needed service to the sheep and goat industries” said Myers. “Plus, it is exciting to see producers begin to reach out to the consumers and we are proud to provide them with a USDA labeled product to sell at local farmers’ markets, restaurants, and retail outlets in their community.”

Value Added Producer Grant

The USDA Value Added Producer Grant (VAPG) information for 2009 is not yet available, but it isn’t too early to begin working on your business plan and application.

The VAPGs may be used for planning activities and for working capital for marketing value-added agricultural products and for farm-based renewable energy.

Eligible applicants are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures.

KCARD will work with interested applicants to help develop a strategic business plan and begin planning for the 2009 grant.

For more information on VAPGs contact the USDA-Rural Development Business-Cooperative Division at (859) 224-7435 or by e-mail dean.tandy@ky.usda.gov.

To learn more about Bluegrass Lamb and Goat visit www.bluegrasslambandgoat.com

Distributing Quality

The Local Food Advantage

A wonderful phenomenon has been taking place in restaurants across Kentucky over the last several years. More and more chefs are introducing their customers to the wonders of locally grown produce, meats, cheeses, and value-added products.

It is not always easy though for the chefs to find the locally grown products, and even if they find the perfect farmer with the premium products, the question becomes how to get the products from the farm to the restaurant kitchen.

As the demand for the diversity of Kentucky Proud farm fresh products continues to grow in restaurants, companies and farmers that are working hard to answer this challenge of distribution.

Locally Large

Incorporating locally grown foods into the business plan can be challenging for larger food distribution companies. With contracts that require products that meet a certain quality and be delivered on time, it makes it challenging to

take on local growers who have never produced for the restaurant market.

According to Jim Walker, Vice President and Managing Partner of Creation Gardens in Louisville, there is a learning curve as farmers begin producing for new markets. Learning the quality and packaging requirements takes time, but Walker admits that end the end it is a win, win situation for everyone involved.

“We have been selling locally grown products since the inception of Creation Gardens eleven years ago,” explained Walker. “We have always been open armed to the farmers of the region as they are passionate in how they grow, and we are equally as passionate about delivering those products to our customer base.”

A Cooperative Approach

Large scale distribution isn't the answer for all farmers, especially those producing on small scale operations. That is why a group of farmers came together to create a Grasshoppers Distribution, LLC.

“The founding principle

of Grasshoppers is that we work with local, independently owned stores and restaurants, because they are flexible and responsive, they keep our market diversified and stable, and they circulate money back into our communities,” explained Grasshoppers Manager, Berea Ernst.

Grasshoppers' just in time delivery system has been key to help farmers market and distribute fresh local products.

“We call on Monday and producers tell us what they have, so we put it on our call sheet to the restaurants,” explained Ernst. The restaurant orders come in by Wednesday morning and our producers harvest and it is picked up and delivered within a twenty-four hour period in most instances.”

Farm Level Cooperation

Another avenue for distributing locally grown products to restaurant that has evolved is the informal farmer distributor. These individuals work with chefs to help them identify the quality fresh products they are looking for to



Chelsey and Jared Schlosnagle work with Grasshoppers to market their family's farm products, Chelsey's Gourmet Pasture Eggs and Jared's Gourmet Pasture Beef.

add to their menu. Then these informal farmer distributors coordinate with the other producers to get the product to the restaurant.

“We are currently working with several KY farms to help deliver their products to area restaurants,” said Leo Keene, of Blue Moon Garlic Farm. “This evolved from my visiting or calling local restaurants to sell them garlic, upon which they would often ask, “What else do you have?”

At first Keene would just tell the chef the other products he raised, then six or seven years ago, a fellow Lexington Farmers' Market member approached him about helping him sell a surplus of peas. After that Keene gradually became the go-to guy for several growers, including farms as far away as Stone Cross Farm in Taylorsville. “Leo supplies all my

Kentucky Proud

New Search Engine

The Kentucky Department of Agriculture has launched an Internet search engine that enables consumers and businesses to find the over 18,000 Kentucky Proud foods and products they're looking for.

From the KDA Web site, www.kyagr.com, users may go to the Kentucky Proud pull-down menu and click on Find KY Proud Producers or Find KY Proud Products.

On the "Search for KY Proud Producers" site,

users may select one or more product categories and then select one or more product names. Searches can also be narrowed by selecting a specific county or city, or search for all products in a county or city.

The search result provides links for viewing details of each member's listing. Each listing contains contact information for the Kentucky Proud member, the products the member produces and/or sells, the member's physical address and the



Web site address if it has a site.

Kentucky Proud members are encouraged to check their listings regularly to make sure they are accurate and up to date.

Members may contact Donna Baker at donnaj.baker@ky.gov or (502) 564-4983 to make changes or additions to their listings.

Local Food Advantage...

garlic and he helps coordinate on my beef, honey, pork, and some produce," explained Chef Robert Myers of AP Roots in Lexington. "He is a huge help in that area, it makes it easier on me to have the product delivered to the restaurant."

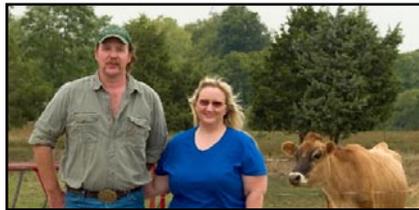
Farmers like Keene have made it possible for producers who might have never considered marketing beyond a farmers' market, to reach out to restaurants and open up new opportunities for their products. They have also introduced Kentucky chefs to wonderful new producers

who grow fresh quality products.

A Quality Issue

"What makes local worth it is the quality and flavor," explained Chef Myer. "If the quality of the local wasn't as good as the quality on a truck, I probably wouldn't buy local. The quality, the flavor of local is just far above anything else I can buy."

Chef Myer believes though that the key to working with farmers is that you have to be understanding and be willing to bend



Patrick and Leeta Kennedy of Stone Cross Farm work with Leo Keene to distribute their meat and cheese products to restaurants.

As farmers, distribution outlets, and chefs continue to work together, the obstacles that have hindered the use of locally grown foods will continue to diminish. Making local foods more than just a trend in Kentucky's restaurants - making fresh, quality products a standard customers come to expect.

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To learn more about KCARD visit our website at
www.kcard.info

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