



Kentucky Cooperator

Volume 7, Issue 4

Fall 2009

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KCARD

Kenny's Farmhouse Cheese

Kenny Mattingly did not plan on becoming a cheese maker when he decided to return to his family farm in Austin, Kentucky. He just wanted to get back to doing something he loved, being a dairy farmer like his father.

“My dad was ready to phase out of farming full-time, and my interest was to make my living on this farm,” said Kenny. “With the dairy industry as it was in the early 90’s, I knew we had to make changes to find a way to make the farm sustainable so we could make a living dairy farming.”

It was during this transition period from father to son that Kenny went on a trip to Europe with Community Farm Alliance. While there he saw the small farms of Western Europe

and experienced the relationship that many Europeans have with their farmers and the local, fresh, and artisan foods.

“The value-added idea really appealed to me, as did the idea of selling our food to the community,” said Kenny. “So over the next few years we began making plans to add value to the milk we produced on our farm.”

Kenny's Farmhouse Cheese was born in 1998 when the first batch of Gouda was made, and since then has grown into a family business that produces over 70,000 pounds of farm fresh cheese a year.

Making of a Cheese maker

In the beginning Kenny chose to remain the herdsman on the dairy farm, and only helped his father



Beverly Mattingly prepares cheese baskets for holiday gifts.

and mother make the cheese when needed. Then about three years into the business his parents decided to step away from the daily responsibility of making cheese and Kenny stepped into the role of primary cheese maker.

“I quickly got bored with making the three cheeses we had at that time, Gouda, Colby, and Cheddar,” laughed Kenny. “So I started playing and began developing new cheeses.”

Today the family owned artisan cheese operation produces twenty-seven varieties of cheese, but Kenny doesn't plan to stop

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Save the Date

KCARD Winter Board Meeting

Jan. 28, 2010

Connecting the Dots

Fall 2009

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KCARD

Every day new and exciting agribusiness ideas are evolving from every corner of our agricultural resource rich state. If you were to plot each activity on a Kentucky map, you would see many dots that cover the entire state.

Many of these activities are not aligned with necessary support resources. This fragmented business condition creates issues and obstacles for success that need to be overcome by “connecting the dots”.

KCARD has engaged in two primary projects that provide the ability to “connect the dots”.

The first project, the Agricultural Entrepreneurship Project, recently funded by the Kentucky Agricultural Development Board, validates and develops agribusiness entrepreneurial business ideas.

KCARD has developed a method that validates the business fea-

sibility of both the idea and the person (or persons) that plans to develop and implement it. The feasibility evaluation focuses on three primary questions:

1. Will it work?”
2. “Can it be built?”
3. “Will it make economic sense if it works and it is built?”

A work plan will be developed and initiated to move the business idea forward that aligns the originator with a business advisory provider referral network, consisting of technical and financial lending services, along with a business-to-business network including potential support organizations (alliances, associations, bureaus, councils, etc.).

KCARD's second project focuses on developing a solution that effectively and efficiently moves Kentucky Proud finished goods products and services toward the end user consumer. KCARD has contracted with the Depart-

ment of Agriculture to develop a supply chain, logistics driven solution.

A key goal is to utilize existing third party logistic providers versus developing a stand-alone solution. KCARD's planned approach will align grower producers, value added processors, and logistic providers, and provide synergistic solutions and opportunities.

By effectively “connecting the dots” as described above, existing business activity disconnects will be resolved and that will improve the overall development of new agribusiness ideas and improve Kentucky's ability to close the loop by moving products and services through the supply chain system direct to the consumer.

The end result should be increased market share, repeat sales, and improved bottom-line financial performance for our agribusiness entrepreneurs.

Energy funds available to farmers

Over \$2 million in stimulus funds are available to Kentucky agriculture through the American Recovery & Reinvestment Act.

A portion of these funds will provide a variety of opportunities for Kentucky farm families to increase farm energy efficiency and renewable fuel produc-

tion. This aspect of the funding will work in tandem with the “On-farm Energy Efficiency and Production” investment area of the KADF's County Agricultural Investment Program.

The remaining portion is for the Multi-county Collaborative Agricultural Energy Initiatives Program. Funding will be made

available for demonstration projects in the areas of energy efficiency and renewable energy production.

For more information visit the Governor's Office of Agricultural Policy web site at agpolicy.ky.gov.



Kenny's Farmhouse *cont...*

there. He believes the more cheese he makes the more confident he becomes in his abilities, and then he sees more out there he wants to try.

"I guess you could say my cheese making is an extension of my personality," laughed Kenny. "I'm a multi-tasker, I like a challenge, and I never slow down, that is how I've approached cheese making over the years."

The Farmhouse Cheese Shop

Kenny's Farmhouse Cheese shop is located on the Mattingly family farm in Austin. Customers are encouraged to come out and visit the shop, see where the cheese is made, and of course meet the cows that make it all possible.

Even though they encourage customers to come out and visit the cheese shop, Kenny points out that the majority of their cheese is not sold to individual customers at the shop. Instead, most individuals that enjoy Kenny's Farmhouse cheese purchase it at farmers' markets or specialty stores across the state. Also many people are introduced to the cheeses at restaurants that have put the cheeses on their menu.

"In the past few years the farmers' markets have really grown as a market. In fact, that is the biggest part of our sales during the summer," said Kenny. "Even if we were to look at our annual sales, probably 18-20% of our sales are through farmers' markets."

Kenny recognizes that the business has grown quickly, with recent years seeing a 30% growth in sales. As a result, the focus for the small family operation has been more on ensuring quality product is available to customers, and not as much on improving the administrative side of the operation. That is the reason Kenny and his wife and partner Beverly turned to KCARD this past year for assistance with a business analysis.

"KCARD gave us a very thorough report of our business, and helped us to see areas that need our attention," said Beverly. "Not only did they just point out inefficiencies, they gave us ideas on how to improve the inefficiencies in the operation from bookkeeping to marketing."

Kenny and Beverly both admit what they liked the best about KCARD's approach to their business analysis is that they didn't tell them what to do. Instead, KCARD presented the analysis and let them make decisions.

"We had the opportunity to talk, to bouncing ideas off them, and they let us know if it was feasible," said Kenny. "I'm just kind of regretful that we don't get more time to work with them. I hope we can really tap into the resource they are and take full advantage of it as we continue to grow."



Dairy Micro Processor Seminar

Kentucky Dairy Development Council in conjunction with the KY Sheep and Goat Development Office are sponsoring an introductory Dairy Micro-Processor Seminar Tuesday, December 8 from 10 a.m. to 2:30 p.m. EST at the Hardin County Cooperative Extension Office.

The event will provide information to people interested in adding value to milk by micro-processing at the farm. Representatives from state organizations will be available to answer questions and provide valuable guidelines to consider before starting a value-added business. Producer/processors will also be on-hand to share their experiences and field questions on how they developed their dairy micro-processing operations.

The cost of the event is \$10.00 per person which includes lunch. To register contact: Ray Bowman at 502-353-2434 or Maury Cox at 859-516-1129.

Kentucky Entrepreneurship Project

Entrepreneurship is a vital part of Kentucky's agriculture community. As challenges have grown on the farm, more and more farm families are looking at opportunities to expand traditional production operations to include new business ventures such as an on farm market or a value-added processing facility.

To encourage the entrepreneurship spirit in agriculture, leaders in the agriculture community are working together on the Kentucky Agribusiness Entrepreneurship project to look at ways to actively promote agribusiness entrepreneurship and develop an "agribusiness entrepreneur-rich environment in Kentucky.

"The idea for the entrepreneurship project began in 2008 when the Department of Agriculture brought together organizations to look at what could be done to help Kentucky agribusiness entrepreneurs," explained Rich Laing with the Kentucky Center for Agriculture and Rural Development (KCARD). "The main outcome of those early meetings was that we identified that we all could work together to improve the environment for agribusiness entrepreneurs in Kentucky."

It was determined that KCARD would take the lead on the initiative, and begin the work with the key players to develop a process focused on providing assistance to agribusiness entrepreneurs.

After research and development of the project, KCARD received Ag Development Funds this past August to put the process into action.

Laing explained that the entrepreneurship process has two key components that will be developed during the initial project period.

The first component will focus on the development and implementation of a provider referral network, consisting of business advisory, technical and financial lending services.

KCARD will also develop a business-to-business and mentor network. Combined with the provider network, these will provide entrepreneurs with support organizations focused on improving overall business development, support services, and the general environment.

The second component will focus more on the assistance to the individual agribusiness entrepreneurs, providing a structured, designed program process that pro-actively plans their developmental path.

As a part of the project KCARD will target 10 to 15 agribusiness entrepreneur participants, and each of these individuals would complete a process designed by KCARD to look at the feasibility and viability of their business idea. After completing the initial



evaluation, the agribusiness entrepreneur may be referred to select support network participants based on expertise needed, time schedule, logistics (location), and expense.

"My responsibility for the next 12 months is to take these projects through the due diligence of feasibility, test the idea and validate the ability of the implementor to make it work," said Laing. "Then at the end we will go back and determine if the idea will work, if it can be built, and does it make financial sense, and is it sustainable."

KCARD will use the results from this initial process to further develop, strengthen, and improve business advisory and technical support services provided to agribusiness entrepreneurs that originate through KCARD or other network providers.

"The drivers of this project are to develop a defined, proactive approach to meeting the needs and requirements of agribusiness entrepreneurs," said Laing. Plus, we want to make sure we have a positive impact on the economic development in our rural regions."

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Board Member Spotlight

Mac Stone

Mac Stone's roots in agriculture go back to the summers he spent working with his grandfather on the farm in Southern Indiana. Not only did Stone learn the basics of farming at his grandfather's side, he also learned the joy of sharing the bounty as he helped his grandfather deliver fresh produce to the widows in the community.

Today Stone farms with his wife, Ann Bell Stone, and her family at Elmwood Stock Farm in Scott County where he continues to focus on supplying quality produce to the community.

"We like to supply our customers with high quality produce, meats and fruits so that they can not only enjoy the fantastic flavors of the unique varieties we can grow, but also a lifestyle of sharing food with family and friends," said Stone.

Stone also works at KDA as the Executive Director of the Office Marketing and Product Promotion, and before he held the position of Director of Value-Added Plant Production at the Depart-



Mac Stone explains Elmwood Stock Farm's greenhouse production.

ment. When he came to KDA in 2004 he brought with him over 18 years of hands on experience working with diversification efforts as the manager of KSU's research farm.

Stone explained that he has enjoyed working with KCARD as both a Board member and in his role at KDA.

"At KDA we get a lot of calls from individuals who have decided they are going to put something in a jar and all they think they need to know are a list of people to sell it to," explained Stone.

Stone went on to say that KCARD services are helping people realize that farming and value-added production is a business and it must be run as a business to be successful in today's marketplace.

KCARD awarded USDA Grant

Agriculture Deputy Secretary Kathleen Merrigan announced in September that the KY Center for Agriculture and Rural Development was one of only 28 organizations across the nation selected to receive a USDA Rural Cooperative Development Grant (RCDG) for 2010.

KCARD's RCDG application scored the highest of all applications with a perfect score of 100% according to the

Kentucky USDA office.

"It is important to point out that the USDA RCDG funds must be matched dollar for dollar, and KCARD received Ag Development funds to provide the match," said Larry Snell, KCARD's Executive Director. "It would be difficult for KCARD to meet the dollar for dollar match without the support of the Ag Development Board."

Kentucky Center for Agriculture and Rural Development fosters business success and growth by developing and delivering technical assistance and by providing educational opportunities for agricultural and rural businesses seeking to enhance their economic opportunities.



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

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