



# Kentucky Cooperator

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***The most valuable thing you can make is a mistake... you can't learn anything from being perfect.***

**- Adam Osborne**

## Reinventing the Market

**L**exington Farmers' Market is one of the largest farmers' markets in Kentucky, with over 60 members selling at five markets at four locations four days a week. It has become more than just a market to purchase local vegetables; it is a part of the community.

Like many markets across Kentucky this successful market began with just a few farmers and trucks loaded down with vegetables. After thirty years, the Market has seen its ups and downs as an organization.

Five years ago the interest in the market was growing, but the organization itself was struggling. The growth was leading to fighting and disagreements among the members, while the Board was struggling to address financial and organization issues. A turning point came in the face of a crisis, when a disgruntled member threatened to sue the Market's Board of

***The Saturday Market is a tradition for the Lexington Farmers' Market.***



Directors.

That is when a Lexington Farmers' Market member contacted Larry Snell with the Kentucky Center for Agriculture and Rural Development(KCARD)—what was then known as the Kentucky Center for Cooperative Development—for assistance.

KCARD met with Lexington Farmers' Market Board in the fall 2003 to evaluate the issues the Market was facing and to help the Board establish a plan of action.

“When we first met with the Board they had no manager, and in effect they had forgotten they were structured as a cooperative,” said Snell. “They were holding meetings with no agenda,

no minutes, no account oversight, really no procedures were in place for the Board or the cooperative.”

KCARD worked with the Board to reestablish the basic structure the cooperative had lost over the years. The Board itself devoted endless hours to establishing bylaws and producers agreements for the Market.

The Board also worked with KCARD to hire an accountant to assist in the review of the organizations financial records.

Once the foundation of the organization had been repaired and financials were solid, the Board realized that they had the funds to hire a manager as KCARD recommended.

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# Partnerships and Cooperation

**K**CARD has a close working relationship with a number of organizations and institutions within Kentucky, which strengthen KCARD's ability to provide technical assistance and business support services to existing and emerging agribusiness.

Partnerships increase KCARD's capacity to perform the work in a timely and efficient manner. We value the support and guidance that these partners contribute to KCARD and to the agribusiness that we serve.

We also have partners beyond the borders of

Kentucky, KCARD is a member of CooperationWorks! a national organization of 18 Cooperative Business Development Centers across the U.S., from Massachusetts to Montana. CooperationWorks! Member Centers have helped facilitate successful businesses in virtually all sectors including value-added agriculture, energy, housing, worker-ownership, and sustainable forestry.

By working together, member centers are able to quickly translate best practices and effective strategies from one region of our country to another, maximizing all of our

resources to bring the greatest benefits to the rural communities that we serve.

Recently a CW partner, the Northcountry Cooperative Development Fund in Minneapolis, MN allowed their Director of Co-op Business Strategies, Bill Patrie to do a video conference with the Kentucky Specialty Grains board of directors to help the group strategize and plan to do a successful equity drive to capitalize a value-added soybean business venture.

Patrie shared his experience in conducting over 30 successful equity drive involving millions of dollars of investment

capital in the states of North Dakota, South Dakota, Wisconsin and Minnesota. The information he provided to KSG was invaluable to them and is a good example of the benefits KCARD derives from partnering with other Cooperative Business Centers.

By working together the Centers avoid duplication, define and improve best practices, and provide for multi-center networking opportunities to share valuable information. Information that increases the success of individual business development projects in all of our home states.

## Reinventing the Market... *from the cover*

### *Saturday Market 2006*



Jeff Dabbelt came on as the manager for the Market in 2005, and continues to work with KCARD staff on board and organizational development.

"I think continuing education is critical to the long-term viability of the Board and organization," explained Dabbelt.

As Dabbelt prepares for the first Saturday of the 2007 season, he admits that it is also the relationship between the members and the

community that makes the Market a success.

The key to that relationship goes back to establishing a strong organizational foundation for the members, based on open communication that allows them to reach out to the community.

"Communication with our members has been instrumental to defining the business that we have," explained Dabbelt, "and it is critical for us to define where we are going in the future."

## Meet the KCARD Board

# President Luther Bakken

**L**uther Bakken is not a native of the Commonwealth, but he has made it his home for the last twenty-five years.

Bakken was born and raised on a farm in southwest Minnesota. In his early teens his father decided to move off the farm to try another agriculture endeavor as the owner of a feed mill in a nearby town.

“I still had close ties to the farm and worked with my uncle on his farm up until the time I went away to college,” said Bakken.

Bakken went on to college and got a degree in Business and Economics. His agricultural roots remained strong and upon graduation he took a job with Cargill. After a short period at Cargill, Bakken accepted a job with Bemus and moved to Tennessee.

While in Tennessee Bakken met his wife Karen and their family quickly grew when Karen gave birth to a set of twins, a boy and girl.

### ***Bakken at CoBank***

Bakken was offered an opportunity to work for

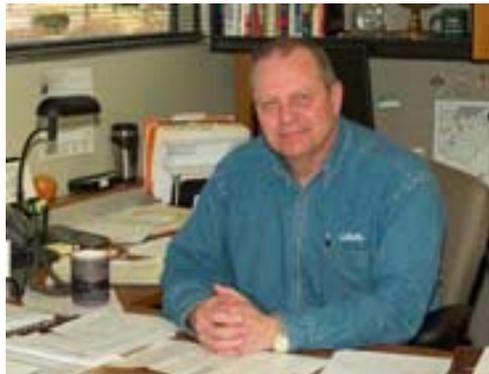
Louisville Bank for Cooperatives, so in 1982 he packed up his family and moved to Kentucky.

In 1989, the Louisville Bank for Cooperatives merged with twelve other bank cooperatives to create CoBank, a part of the Farm Credit Systems.

Bakken is now the Vice President of Commercial Agribusiness for CoBank, and travels throughout the region working with clients.

“I work with customers to provide their financing needs, from operating capital to inventory finance,” explained Bakken. “We provide a full array of loan products, cash management services, letters of credit, and we now have an international division that allows us to do international trade financing.”

Bakken is quick to point out that agribusiness is just one of the many areas in which CoBank can help rural communities. To learn



more about the company he encourages people to visit their website at [www.cobank.com](http://www.cobank.com).

### ***President of KCARD***

“Serving on this Board has been an interesting experience for me,” said Bakken. “All really great people yet very diverse and from various organizations, which makes for great discussions.”

Bakken says this experience has also allowed him to see another side of Kentucky agriculture, the developing side.

“I’ve really enjoyed working in the agribusiness industry,” said Bakken. “It has given me a chance to get to know really good people, from the farmers to the businesses.”

## KCARD Board

**President**  
**Luther Bakken**  
CoBank

**Vice President**  
**Wayne Cropper**  
Burley Tobacco Growers  
Co-op Assoc.

**Secretary**  
**Dennis Cannon**  
KY Association of Rural  
Electric Cooperatives

**Treasurer**  
**Mickey Miller**  
KY Council of  
Cooperatives

**Debra Chaney**  
Chaney’s Dairy Barn

**Bill Green**  
Aquaculture/Nursery  
Cooperatives

**Mark Haney**  
Kentucky Farm Bureau

**Michael Judge**  
KY Department of  
Agriculture

**Keith Rogers**  
KY Governor’s Office of  
Ag Policy

**Ann Bell Stone**  
Lexington Farmers’  
Market

**Lionel Williamson**  
UK College of Agriculture

**Ex-Officio Members**  
**Jeff Jones**  
USDA Office of  
Community Development

**Tim Woods**  
UK College of Ag

## Board Training

**K** CARD offers an array of services to clients to help them reach their full potential. KCARD also assists in developing an organization or restructuring an existing business.

One of the many services it offers is training and assistance in board development.

The Board of Directors of any organization/business is an important body that plays the key position between member/owners and hired management. A well-functioning Board of Directors is essential for an organization to not only to meet legal requirements, but also to successfully achieve their goals.

In general, boards are instrumental in developing organizational policy, providing oversight to ensure the organization's mission is fulfilled, and keeping the organization financially healthy. Yet, many boards struggle with how to fulfill these duties in a business manner.

Clients can request KCARD's assistance in board training and

development to help the board meet their full potential.

KCARD does not have a cookie cutter presentation for board training. KCARD staff will meet with board members and hired management to evaluate the strengths and weaknesses of the board. From this consultation staff will develop a training plan to address issues facing the board and to meet the needs of

### Basics to having a productive Board Meeting

Have an agenda.

Have copies of previous meetings minutes

Have copies of Treasurer's Report

Have copies of any new information to be presented

Know the roles and responsibilities of officers of the Board

the organization.

KCARD staff believes the key to successful board training is working hands on with the organizational board preparing a program that will work to meet their needs

Board training conveys the knowledge and understanding needed in order to be effective as a member of any governing Board of Directors.

Topics KCARD has addressed in previous board trainings include:

- *Conflict management*
- *Board Members - Roles and Responsibilities*
- *Officers – Roles and Responsibilities*
- *Conducting Board Meetings & Understanding Parliamentary Procedures*
- *Corporate Records That Must Be Kept & Maintained – General & Financial*

Creating a dynamic and productive board that is focused is the first step in moving any organization/business forward. If you are interested in working with KCARD for board training with your organization contact the staff.

## State Launches MarketMaker

Kentucky farmers have an innovative new marketing tool to sell Kentucky Proud products, a web based system called MarketMaker.

MarketMaker features a mapping function and census data on locales and will enable buyers and sellers of food products to find each other quicker and easier.

"This project was truly a collaboration between the Kentucky Department of Agriculture, Governor's Office of Agriculture Policy, UK Extension, and Allied Food Marketing," explained Bob Perry, UK Food Systems Initiative Coordinator.

The site is a free service designed to be a resource for farmers, retailers and the public.

Farmers and value-added producers interested in selling direct are encouraged to go on line to [www.marketmakerky.com](http://www.marketmakerky.com) and register their product information.

## Cooperative Principle 7

### Concern for Community

Cooperative businesses are guided by a set of seven principles that reflect the best interests of their member-owners, and these guiding principles are what make cooperatives a unique business structure.

The seven cooperative principles are:

1. voluntary and open membership,
2. democratic member control,
3. members' economic participation,
4. autonomy and independence,

5. education, training, and information,
6. cooperation among cooperative, and
7. concern for community.

Previous articles in this series have discussed the first six principles.

The 7<sup>th</sup> cooperative principle, **Concern for Community**, reads as follows:

“While focusing on member needs, cooperatives work to improve the quality of

life in their communities through policies adopted by their members.”

Cooperatives are committed to serving their communities and making contributions to a better society. Strong cooperatives recognize that healthy communities are important to the strength of their businesses. They also have a vested interest in their local communities because the member/owners are members of the community.

## Ag Policy Update

### Governor Fletcher Issues Challenge

Governor Fletcher addressed the more than 400 attendees at his Summit on Agriculture on March 15 and issued a call to the state's agricultural leaders and organizations, agribusinesses and farmers to develop a strategic plan of action which builds on the Commonwealth's agricultural successes and will propel all of Kentucky agriculture into the future.

“I challenge Kentucky agriculture to bring forward a plan that embraces the goals and

objectives of the entire industry and creates a road map to guide our farm families to a brighter and more profitable tomorrow,” said Governor Fletcher. “We are in the midst of a strong farm economy, and today I call on Kentucky agriculture to devise a strategic plan to secure a prosperous future for the entire industry. I pledge my support to help accomplish this goal.”

Governor Fletcher asked Kentucky's agricultural leaders to develop a plan with state, federal and non-government



components that prioritizes the industry's issues, establishes action plans and sets benchmarks.

He encouraged agriculture leaders to complete the state portion of the strategic plan before the Kentucky General Assembly meets next January.

## Grant Updates

### Value-Added Producer Grant

VAPG may be used for planning activities and 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.

### Renewable Energy Systems and Energy Improvements Grants

RESEIG provide financial assistance to purchase and install renewable energy systems and energy efficient improvements in rural areas.

Eligible applicants must be an agricultural producer or rural small business.

For more information contact the USDA Rural Development State Office at 859-224-7435 or visit the USDA website at [www.rurdev.usda.gov](http://www.rurdev.usda.gov)

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Agricultural 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 website at  
[www.kcard.info](http://www.kcard.info)

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