

Stone Cross Farm introduces Cloverdale Creamery

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Making the leap to direct marketing didn't happen overnight for Patrick and Leeta Kennedy, owners of Stone Cross Farm; it was a slow process that all began with chickens.

"I wanted to get back into chicken production, we had always had chickens on the farm growing up, and I loved the fresh eggs," explained Patrick. "We realized quickly though that we had more eggs than we needed and so we started selling at the Bardstown Road Farmers' Market in the Highlands."

After the egg market began to grow, the Kennedy's began to look at other items for the market. When prices at the stockyards began to drop, the Kennedy's decided to begin processing a few cattle to sell the beef at the market. The customer base for the beef began to grow, so they added a few pork products to the mix.



Patrick and Leeta Kennedy have taken Stone Cross Farm's products statewide, and they hope to do the same with their new endeavor Cloverdale Creamery.

"We've been at the farmers' market for a number of years, but we are ready to move on to a different phase in our operation," said Leeta. "We are going to work with other farmers to make our products available at the market to our loyal customer base, but it is time we focus our full attention on the daily management of our production, especially with our new creamery."

For the Love of Cheese

Three years ago, Patrick decided he wanted to get back to his roots and incorporate dairy cattle into the farming operation. Soon a small herd of jersey cattle and a few Holsteins were

added to their diversified operation and Stone Cross Farm's Cloverdale Creamery was born.

"When we began we thought we would have a little barn and then carry the milk over to a certified kitchen," said Leeta laughing. "After our first meeting with the state, we realized what we were thinking of as a creamery and what they were thinking of as a creamery was night and day apart."

The Kennedy's began building the facility from the ground up including an underground cheese cave. At the same time they began researching the types of cheeses they

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Managing A Small Business During 'Tough Times'

It seems we can't read a newspaper, listen to radio or watch TV today without being lambasted with more bad economic news. Banks are facing financial meltdowns, large corporations are declaring bankruptcy and unemployment is at a twenty-six year high.

As a small business owner or manager during a period of economic downturn do you see a disaster or an opportunity for your business?

In my view, you should approach it as an "opportunities" moment for your business. A positive "can do" attitude will go a long way toward seeing you through these tough times, along with sharp focus on managing your business better.

Large corporations or businesses have a huge overhead and cannot turn their business around quickly. Small businesses can react quickly to

market or customer changes in order to win the business.

Think of a large corporation as a train that takes miles to come to a complete stop and turn in another direction. A small business is like a sports car that can stop in a matter of feet and spin around to go in a completely different direction in seconds.

Your business can thrive through tough times if you challenge yourself to answer some tough questions such as:

Can my business be more profitable? Focus on the parts of your business that are the most profitable. Drop some business activities/products that are losing money or just breaking even (even those that you like doing) because you can't afford to continue them.

Who are your most profitable customers? Focus on marketing to this select group more.

Can I cut costs? Cut costs now before revenues go down.

Having a positive "can do" attitude is important.



Thoroughly review costs, associated business expenses and make some tough decisions now.

Can I reduce inventory without harming the business? Remember inventory is the same as cash to the business. Operate with a lean inventory.

Can I improve my cash flow? Focus on turning inventory faster, work harder to collect accounts owed and extending your payments to vendors without incurring penalties.

Can I sell some business assets without harming my business? Take a good look around the business. Often there is equipment not being used that can be sold for cash that the business can put to work.

Can I reduce business hours? Study sales based on when they occurred during business hours. Can the business be opened later, closed earlier in the day? Are there days during the week that are extremely

slow for the business? If your business is primarily seasonal, sometimes closing for weeks or months is a good idea.

If you take no action and ignore the obvious recession, your business could certainly suffer.

However if you develop a positive attitude and focus on the things that you can control in the business your chances of coming through this recession will be greatly improved.

Most small businesses have been here before and survived. Some even emerge as a stronger business which should be your goal.

Marketing Matters

Marketing is an important part of business plans that is too often overlooked, due to the cost.

KCARD works with clients to help identify marketing resources in the state, as well as helping to identify potential cost-share programs for marketing promotions.



Adding value to a traditional product is one way to help make business more profitable

Stone Cross...continued from front

would want to make, and with a Jersey herd producing milk rich in butter fat they decided to go with the traditional English style cheeses for this operation.

Using their own name and recipes, the Kennedy's began making variations on Cotswold, Double Gloucester, and Wensleydale cheeses. In fall 2007 they made their first test batches, which were very well received by the chefs who used their meat products.

"We gave it away and asked for their opinion and everyone came back saying they would buy it that day," said Patrick. "We thought we might be on to something, so now we are moving forward with the English style cheeses."

The Business Challenge

While developing Cloverdale Creamery, the Kennedy's began to see the other product lines grow. They realized that their business was growing to a new level. Knowing the challenges they were facing with the creamery, the entrepreneurs decided it was time to get business

development assistance from the experts.

"We knew we needed an outside perspective on the business, but we wanted to work with someone who understands our unique business," explained Patrick. "We did a little research and found KCARD, and after reviewing their website and seeing the companies they had worked with and their areas of specialty we decided to contact them."

Knowing they would need more capital for the creamery and to expand the other product lines, the Kennedy's were interested in getting help from KCARD to develop a strategic business plan. The Kennedy's admit they have been surprised with the dedication and involvement KCARD has given to their company.

"I anticipated they would do what they said and come out for three or four visits," said Leeta. "They have been willing to meet much more than that to help us through the process and they have given us more than just help on the business plan. They are also working



Patrick and Leeta have built Cloverdale Creamery from the ground up on their farm in Taylorsville.

with us to look at a feasibility study."

Just a Family Farm

Even though Stone Cross Farm has become the Kennedy's brand for their farm fresh products, it is still just a family farming operation.

The Kennedy's have chosen to keep the operation at a scale where they can be involved at every level of the process. They have also chosen to keep their operation diversified.

"I don't want to go back to one thing, to be dependent on only one commodity for a living, I want our farm to be diversified," said Patrick. "We want to keep all our product lines going the best we can, with the goal of meeting the market demands of the people in this region and if it grows beyond that we will take it."

To learn more about Stone Cross Farms and Cloverdale Creamery visit www.stonecrossfarms.com

Harvesting Kentucky's Ag Heritage

The Kentucky Agriculture Heritage Center (KAHC) Board has launched the new Harvesting Kentucky's Agriculture Heritage campaign.

The Harvesting Kentucky's Agriculture Heritage campaign was created to reach out to the farm families of Kentucky to help locate and eventually fill the Center with artifacts, photographs and stories about Kentucky agriculture.

The mission of the Kentucky Agriculture Heritage Center is to create an environment for learning, reflecting on the past, showcasing the present and fostering the advancement of Kentucky Agriculture.

If you have an item that you believe would be of interest, the KAHC Board asks you to submit a short story and a photograph, telling when the item was used on the farm or in the home and experiences that were associated with its use.

To submit your story contact the KAHC office for a form by calling (859) 733-0701 or visit the website at www.kyagheritage.org.

Value Added Producer Grants:

USDA & KCARD working together

Taking the chance on a dream is difficult in today's economic times, especially if it means making the move from a traditional agriculture production operation to a value-added operation.

That is why Kentucky's Rural Development office and KCARD are working together to help producers interested in exploring value added opportunities complete the USDA Value Added Producer Grant (VAPG) application.

The USDA VAPG is a federal grant to provide assistance for planning activities and/or for working capital for marketing value-added agricultural products and for farm-based renewable energy.

"Many of the producers and agribusinesses that we work with fit the qualifications for the VAPG," said Larry Snell, KCARD Executive Director. "We have had positive experiences working with VAPG applicants in the past, and we are excited to be working with the state Rural Development staff to identify applicants for the upcoming funding

cycle."

The On-Tapp Story

Dudley Tapp and his family have farmed in Washington County for generations, and he wanted his children to have the opportunity to return to the farm as he did. He knew though that to support the next generation, it was time for the small family dairy operation to be think about changing.

Tapp knew he wanted to continue milking cows, but with input costs continuing to rise and profit margins getting tighter he knew that he didn't want to just grow the operations fluid milk production. That is when he and his family began looking at incorporating a value-added facility into their family farming operation.

While researching his idea, Tapp was told about the VAPG program and decided to apply for a feasibility study. He was awarded a grant in 2007 and turned to Dr. Tim Woods at the UK College of Agriculture to do the study.

"The Tapp's are a very interesting project and a great example of why

producers should consider the USDA VAPG program," said Tim Woods, UK Ag Economist.

"They are a small family dairy operation looking to shift into a processing business, so with the funding from their grant we were able to thoroughly examine different product and processing options and to really look at what they would need to do from several angles such as management, financial, resource, production, and personnel."

KCARD was brought in to help at the beginning of the study to address the management and financial concerns associated with establishing a value added dairy facility.

Management requirements for new ventures are often unappreciated. The KCARD management audit provided a candid assessment of what resources existed for the Tapp's as well as what would be needed for each of the various scenarios they were considering. Woods used a new marketing



Joseph, Shirley and Dudley Tapp at their dairy operation in Washington County.

tool, the Kentucky Food Consumer Panel, to gauge the product and market potential for a variety of value-added dairy products, including bottled milk, artisan cheeses, and beer cheese. Several interesting options for a dairy-based Agritourism venture also emerged, including leveraging their location in the Kentucky Bourbon Trail.

The study confirmed strong demand in Kentucky for locally produced dairy products and that there were a number of different viable strategies the Tapp's could pursue with a value-added facility, ranging from going full board and try to set up their own milk bottling and cheese operation to starting small working with existing operations in the state.

"The feasibility study and KCARD have given us ideas to get started

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Board Member Spotlight

Mickey Miller

Mickey Miller might be known now as the President and CEO of Nolin RECC, but the businessman hasn't completely forgotten his rural roots.

"I was raised on a farm in Hodgenville," said Miller. "I went on to get a degree in agriculture economics from UK and even though I didn't want to go back to farming I knew I wanted to do something in the farming industry."

The desire to work in rural communities, close to the farming industry, led Miller to Nolin thirty-five years ago. Over the years he worked in several positions at the company, and then in 1991 accepted the CEO position at Nolin RECC.

"Nolin is an electric

provider to the rural and urban areas, but we have always been strong in economic development," said Miller in talking about the company. "We work to improve the quality of life of the people that live in our area."

Miller has worked over the years to help the community, by serving on boards, such as the Council of Cooperatives. His role in this organization led to his involvement in KCARD.

"To help search for a way farmers can transition from tobacco to other areas of production has been challenging," said Miller. "I think KCARD has been successful in helping with this effort through education and working together with the farmers."



Mickey Miller, Nolin RECC President and CEO

Miller admits that everything has not always gone smoothly as KCARD has grown, but he attributes the success of the office and program to the outstanding staff.

"Larry is so dedicated, he has been a tremendous asset to make this thing work," said Miller. "He and his staff work with USDA, people in Frankfort and all the players, we are fortunate to have him and a great staff."

Value Added....continued from page 4

on, even some things we hadn't considered," said Tapp. "The experience has helped us to open doors with the ultimate goal of having a facility on our own farm."

Going for a Grant

"Kentucky is in a unique position with the Kentucky Agriculture Development Fund to

have an in-state program that could be a potential match of cost-share funds that applicants are required to have to receive grant funds," explained Snell. "We are here to help producers look at all aspects of the application process even potential sources for the cost-share funds."

For more information on VAPGs contact the USDA-Rural Development Business-Cooperative Division at (859) 224-7435 or email dean.tandy@ky.usda.gov and to learn about KCARD's business development services visit their website at www.kcard.info.

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