Farmers are more than just an occupation in Kentucky; it is a way of life we treasure. But as we begin the 21st century, the business of agriculture in Kentucky is in transition. By examining the past and taking current conditions into account, this transition can be made successfully.

Part of making this change is understanding that Kentucky foods produced on our farms offer potential for the world’s agricultural economy.

Our global population now includes 6 billion people. The earth’s agriculture will need to be productive and efficient in order to feed everyone. Individuals, families, and communities can and should take steps to strengthen local food systems in order for the planet to have a sustainable agricultural system. Increasingly, we should choose and consume locally produced foods to conserve packaging and transportation resources. While specialty foods will continue to be shipped to locales around the world, it seems to make sense that some foods be locally produced and consumed. In addition to the economic and environmental benefits, this type of commerce helps us feel a sense of community. We are beginning to recognize the importance to our well-being of such a sense of belonging.

I think that good farming is a high and difficult art, that it is indispensable, and that it cannot be accomplished except under certain conditions.

—Wendell Berry, Kentucky farmer and author, Another Turn of the Crank, 1995
Farming in Kentucky

A farm is defined by the USDA Census of Agriculture as any place from which $1,000 or more in agricultural products was produced and sold in the reference year. In 1969, the census counted just over 125,000 farms in Kentucky. In 1997, that number had dropped by 34 percent to 83,000 farms. The value of Kentucky farm products sold in 1997 was almost evenly divided between plant and animal products. The value of plant crops sold totaled $1.6 billion, and the value of animals, eggs, and dairy products totaled $1.5 billion, as shown in Figures 1 and 2.

What crops and animal products are Kentucky farmers producing? Table 1 summarizes key facts about Kentucky’s agricultural commodities.

Who Are Kentucky Farmers?

The answer may surprise you. The average Kentucky farmer is 54 years old and has been on his or her current farm for nearly 20 years. Forty-one percent of Kentucky farmers have full-time operations, and 85 percent are sole owners. According to the 1997 USDA Census of Agriculture, Kentucky has about 7,500 farms operated by women, some 500 farms operated by African-Americans, 400 by Hispanics, 120 by American Indians, and 40 by Asian/Pacific Islanders. This diversity is a reflection of the changing face of the Commonwealth and the United States. As our food system is enriched with additional people, cultural practices, ethnic foods, and cooking techniques, Kentucky agriculture can expect to benefit from this diversity.

Kentucky’s Food Processing Industry

Kentucky has over 300 food processors and numerous small-scale entrepreneurs producing specialty food items. These operations include 150 meat and poultry processors and over 100 dairy and food processors (Mikel and others, 1999). The majority of Kentucky food processors are small to moderate-size employers; food processing and similar product industries employ only 6.5 percent of Kentucky’s manufacturing work force.

Food processing is the state’s fourth largest source of manufacturing value-added dollars, following transportation equipment, chemicals, and industrial machinery. (Kentucky Cabinet for Economic Development, 1996). Kentucky’s four leading value-added food processors manufacture beverages, bakery products, meat products, and dairy products.

Approximately two-thirds of Kentucky counties have food processing industries. Small, entrepreneurial specialty food businesses are a relatively new breed of Kentucky food operations for niche markets, and they can offer value-added products with a longer shelf life and larger profit margin than that of many fresh products.
Table 1. Estimated returns per acre for selected crops in Kentucky for 1998.

<table>
<thead>
<tr>
<th>Crop</th>
<th>Estimated Return per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staked Tomatoes</td>
<td>$5,522</td>
</tr>
<tr>
<td>Muskmelon</td>
<td>$2,897</td>
</tr>
<tr>
<td>Eggplant</td>
<td>$1,915</td>
</tr>
<tr>
<td>BURLEY TOBACCO</td>
<td>$1,844</td>
</tr>
<tr>
<td>Cabbage</td>
<td>$1,610</td>
</tr>
<tr>
<td>Bell Peppers (fresh)</td>
<td>$1,437</td>
</tr>
<tr>
<td>Bell Peppers (processed)</td>
<td>$1,392</td>
</tr>
<tr>
<td>Summer Squash</td>
<td>$1,122</td>
</tr>
<tr>
<td>Broccoli</td>
<td>$1,015</td>
</tr>
<tr>
<td>Sweet Corn</td>
<td>$798</td>
</tr>
<tr>
<td>Pumpkins</td>
<td>$735</td>
</tr>
<tr>
<td>Green Beans&lt;sup&gt;a&lt;/sup&gt;</td>
<td>$680</td>
</tr>
<tr>
<td>Fresh Potatoes&lt;sup&gt;b&lt;/sup&gt;</td>
<td>$571</td>
</tr>
<tr>
<td>Green Beans&lt;sup&gt;b&lt;/sup&gt;</td>
<td>$475</td>
</tr>
</tbody>
</table>


Notes:
<sup>a</sup>Machine picked.
<sup>b</sup>Hand picked.

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As our food system is enriched with additional people, cultural practices, ethnic foods, and cooking techniques, Kentucky agriculture can expect to benefit from diversity.
Food Service and Hospitality

Kentucky’s food service and hospitality industries have earned a worldwide reputation for gracious and unique offerings. Our state is known for foods and beverages such as the Kentucky Derby festival’s mint julep, Kentucky bourbon, burgoo, fried chicken, Kentucky Wonder green beans, limestone Bibb lettuce, beaten biscuits, and country ham. We like apple stack cakes, sweet potato pie, bourbon balls, and bread pudding. Kentuckians enjoy good food and company, and we want others to share in our hospitality. During the 1980s the number of eating and drinking establishments in the Commonwealth increased by nearly 30 percent.

The popularity of home cooking, coupled with the diminished time and cooking skills of today’s food consumers, has created a demand for restaurants serving traditional foods. This type of restaurant atmosphere includes a friendly, neighborly approach to food service, where grits and biscuits come with your meal free of charge.

Expenditures for food eaten away from home as a percentage of the total consumer food budget have doubled over the last 25 years (Putnam and Allshouse, 1997). Over one-third of these expenditures are for fast-food purchases (Manchester and Clauson, 1996), which generally are high in calories, low in nutrients, and do little to promote local agriculture.

Like our counterparts in other parts of the United States, Kentuckians are spending more food dollars on meals eaten away from home than we have in the past. Kentuckians should consider the added value offered by restaurants serving locally produced, cooked-from-scratch foods in an atmosphere of community. Food service establishments should explore the advantages of purchasing and serving local and regional foods.

Distributing Kentucky Foods to the Marketplace

Delivering fresh or processed foods to consumers requires marketing and distribution systems. Farmers may sell their products directly to consumers through farmers’ markets, wholesalers who supply retail grocers, or food processors. Farmers may also elect to add more value by processing their commodities into food products before selling them. These value-added products can be sold through cooperatives or wholesalers or by direct marketing to consumers.

Direct marketing can be done in person (at a market or on the farm) or online (using the Internet and a Web page). Use of the Internet has opened up a new mode of marketing for farmers and food processors. A survey showed that about 14 percent of Kentucky companies use the Internet for direct sales or to advertise (UK Center for Business and Economic Research, 1999). Kentucky wholesalers had the highest rate of online sales at 30

You have to ask the waitress to bring you grits. Previously you only had to ask the waitress not to bring you grits...
At some restaurants, you not only have to ask for grits, but have to pay for them as well.

percent; agriculture had the lowest rate at zero percent.

There are several important factors for Kentucky food growers and producers to consider when selecting the best way to distribute their products. One consideration is that 75 percent of a typical retail food price is the result of value-added activities occurring after a commodity leaves the farm. Another factor to consider is that less than five percent of U.S. food purchases are consumed unprocessed. Consumers increasingly value the added convenience and flavor that minimal processing often adds to foods. In the current food commerce atmosphere, growers and producers may find advantages to pooling some products and resources toward community-based, value-added processing, marketing, and distribution systems.

Many Kentucky tobacco growers are considering commercial vegetable production (Rowell et al., 1999). Apart from differences in how tobacco and vegetables are grown, the crops are also marketed differently. Kentucky has four vegetable marketing cooperatives where growers can find resources to help them distribute their products to wholesale markets. Many Kentucky growers entering the food market cite marketing and distribution as the areas they are least equipped to manage effectively. Most Kentucky produce growers sell at least some of their goods through direct marketing channels (Woods, 1999). Diversification of crops and distribution channels helps vegetable growers minimize the risks associated with any one crop or sales channel.

### Purchasing Kentucky Foods

Since the value of a significant portion of Kentucky’s agricultural production is in the food sector, consumers might think that it would be easy and convenient to locate Kentucky-grown foods. But our food systems have become less simple, direct, and community based. Most of us do the majority of our food shopping at a grocery or supermarket, as this is convenient and economical. Locating a farmer who markets directly to consumers may be the best option for Kentuckians who want to buy local foods.

Food labels, the Internet, and your local library can help you locate Kentucky food products:

- Look on food labels for products carrying the Kentucky Department of Agriculture’s “Pride of Kentucky” and “Kentucky—Where Quality Grows” logos.

Consumers increasingly value the added convenience and flavor that minimal processing often adds to foods.
Visit the Kentucky Department of Agriculture Web page at <http://www.kyagr.com> to see the wealth of Kentucky foods available through the department’s “country store.” This Web page will help you locate Kentucky products. The department of agriculture’s country store includes beverages, a bakeshop, produce, meat and poultry products, dairy foods, freshwater fish, sweets, and general grocery items.

You can also:

• Patronize your local and area farmers’ markets and patronize vendors in the Certified Roadside/Farm Market Program.
• Visit local greenhouses to purchase bedding plants and herbs. Growing some of your own food helps you appreciate your food system, an important lesson for people of all ages.
• Look for Kentucky foods at grocery and specialty stores. If your grocer does not stock local or regional foods, consider requesting them.

• Visit the Kentucky Department of Agriculture Web page at <http://www.kyagr.com> to see the wealth of Kentucky foods available through the department’s “country store.” This Web page will help you locate Kentucky products. The department of agriculture’s country store includes beverages, a bakeshop, produce, meat and poultry products, dairy foods, freshwater fish, sweets, and general grocery items.

• Buy some of your foods from alternative sources. Take the time and trouble to locate local producers and make food buying an activity. Attend local, regional, and state food festivals, county fairs, and agricultural field days to learn more about Kentucky foods.

• Find out if your county has interest in establishing a program in community-supported agriculture or a farmers’ market.

• Check regional cookbooks and publications for sources of Kentucky foods. Periodicals that regularly have food features include Kentucky Living and Kentucky Monthly magazines. Refer to the food source guide in Elizabeth Ross’s Kentucky Keepsakes (1996) for lists of Kentucky foods including beverages, candies, cheeses, cornmeal and flours, country hams, preserves, relishes, sauces, and sorghum.

The department of agriculture’s country store includes beverages, a bakeshop, produce, meat and poultry products, dairy foods, freshwater fish, sweets, and general grocery items.
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Mikel, Benji and others. *Development of the University of Kentucky Value-Added Food Processing Incubator*. UK Cooperative Extension Service proposal to the Kentucky Partnership for Food Safety and Quality Assurance, 1999.


We grow ideas to help you eat right.
University of Kentucky
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