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TURNING A PASSION INTO A PROFESSION

Deep equine industry expertise
formalized into degree programs
across the Horse Capital of the World

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WARREN BEELER

Executive Director,

Governor's Office of Agriculture Policy



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A student leads a horse across one of more than 25 pastures and paddocks at the University of Kentucky's 100-acre Newtown Pike farm. Kentucky colleges and universities offer 10 equine degree programs ranging from specialties such as therapeutic riding to business management of equine operations. They attract students from across the United States as well as a number of foreign countries.

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FOR I WAS HUNGRY ...

The Kentucky Hunger Initiative is looking for answers to the problem of food insecurity



Kentucky Department of Agriculture photos

One out of every six Kentuckians – including one in five children – is food insecure. In the spring of 2016, the Kentucky Department of Agriculture launched the Kentucky Hunger Initiative, a first-of-its-kind effort to search for ways to combat hunger in the Commonwealth.

“Having such a dire hunger problem in Kentucky, with its rich agricultural history and abundant natural resources, is unacceptable,” Agriculture Commissioner Ryan Quarles said. “Together, we can make healthy, nutritious foods accessible to more Kentuckians.”

“Individuals, charities, businesses, and government all have a role to play in addressing hunger,” said Tamara Sandberg, executive director of the Kentucky Association of Food Banks. “The Hunger Initiative will provide the opportunity for key stakeholders to work together to identify gaps and direct resources to fill those gaps.”

Above: Agriculture Commissioner Ryan Quarles shares some ideas on combating hunger in Kentucky with a crowd of about 65 people at the third regional meeting of the Kentucky Hunger Task Force July 7 in Lexington. Also at the head table are Marian Guinn, left, CEO of God’s Pantry Food Bank Inc., and Tamara Sandberg, executive director of the Kentucky Association of Food Banks.

Together, we can help solve hunger in Kentucky.”

“It is important to have this conversation about hunger, as one in six Kentuckians struggle to secure enough food to live a healthy, active life,” said Marian Guinn, CEO of Lexington-based God’s Pantry Food Bank, which serves more than 190,000 people in eastern and central Kentucky each year. “God’s Pantry Food Bank is pleased to partner with Commissioner Quarles in hosting opportunities for this conversation in the hope that solutions can be identified.”

In June, Commissioner Quarles introduced the Hunger Task Force,

leaders in agriculture, government, business, educational institutions, charitable organizations, and the faith community. The objectives of the Hunger Task Force are to study the sources of hunger, identify the unique issues that affect different regions of the Commonwealth, and take an inventory of resources that can be brought to bear against the hunger problem in Kentucky.

“The members of the task force will bring a vast array of expertise and experiences to apply to this critical issue,” Commissioner Quarles said. “This isn’t a rural or urban problem, or even a regional problem. This is a problem for all of Kentucky. I’m grateful to everyone on the task force for committing their time and effort to the cause of helping Kentucky’s most vulnerable citizens.”

The task force is holding a series of 10 regional meetings throughout the state this summer to hear from volunteers fighting hunger at the local level. Meetings were scheduled for Bowling Green, Elizabethtown, Highland Heights, Lexington, London, Louisville, Mayfield, Morehead, Owensboro, and Pikeville.

Map the Meal Gap 2016, an annual study by Feeding America, revealed that 17 percent of Kentucky’s population is food insecure – nearly three-quarters of a million people in all.

For more information about the Hunger Task Force, go to kyagr.com/hunger.

To watch video of the June launch of the Kentucky Hunger Initiative, go to youtube.com/kentuckyagriculture.



Above: Trinity Sinkhorn of Boyle County FFA introduces her group to the crowd of about 65 people at the Lexington regional meeting.

WORLD LEADER

Kentucky has the best horse, the best race, and the best equine industry on the planet.

Kentucky is known around the world for its picturesque horse farms and first-class racing, and the Commonwealth well deserves its place at the pinnacle of the global equine industry, Agriculture Commissioner Ryan Quarles said.

"Kentucky is, without question, the horse capital of the world," Commissioner Quarles said. "We have the biggest race of the year, the top thoroughbred auction house, and many of the world's leading stallions and broodmares. The Kentucky Department of Agriculture is committed to working with all our equine breed industries to keep our horse industry growing."

Commissioner Quarles recently paid a visit to Coolmore's Ashford Stud to meet American Pharoah, the 2015 Triple Crown winner, Breeders' Cup victor, and Horse of the Year. Foaled in Kentucky in 2012, American Pharoah gave the Commonwealth's equine industry a publicity boost with his historic run and subsequent retirement to stud at Ashford, near Versailles, making that farm a popular stop for tourists and equine enthusiasts.

\$3 BILLION ECONOMIC IMPACT

The 2012 Equine Survey, conducted by the University of Kentucky and the Kentucky Horse Council in conjunction with the National Agricultural Statistics Service, reported that Kentucky was home to 242,000 horses of all breeds on 35,000

equine farm operations.

The survey said the equine industry had a total economic impact of almost \$3 billion and generated 40,665 jobs in 2012. Commissioner Quarles pointed out that Kentucky's equine industry, while valuable in its own right, generates economic activity in related agricultural industries, such as feed, fencing, and veterinary services.

Many breeds contribute to Kentucky's equine industry, but the thoroughbred breed is by far the most lucrative and the most famous. When asked what the term "Kentucky thoroughbred" means outside the Bluegrass State, Chauncey Morris, executive director of the Kentucky Thoroughbred Association/Kentucky Owners and Breeders, replied:

"The fastest racehorses in the world."

Morris said nearly half of all the thoroughbred broodmares bred in North America are bred in Kentucky. More Kentucky Derby winners were born in Kentucky than in the rest of the world combined. The Kentucky Legislative Research Commission found that the thoroughbred industry accounted for 17,600 direct and indirect jobs and \$352.7 million in earnings in 2010.

KENTUCKY-BREDS ARE KENTUCKY PROUD

Kentucky's signature industry also is



Above: Agriculture Commissioner Ryan Quarles paid a visit to champion and Triple Crown winner American Pharoah at Coolmore's Ashford Stud in the summer of 2016.

part of the Commonwealth's official farm marketing program, Kentucky Proud. Fans, owners, trainers, and breeders at the races can identify Kentucky-bred horses at a glance by the Kentucky Proud logo beside their names in the track program. The initiative was launched in 2013 with the Kentucky-bred horses in that year's Kentucky Derby and Kentucky Oaks.

The Office of the State Veterinarian, a unit of the KDA, is responsible for preventing foreign animal disease from entering Kentucky's livestock, poultry, and equine herds, and for containing and eliminating a disease outbreak when one occurs. Morris praised the Kentucky state vet's office and says its work is "hugely important" to Kentucky's equine industry.

"The equine industry is a vital part of Kentucky agriculture," Quarles said. "We will do everything we can to protect our industry and help our horse operations grow and prosper."

FARM FRESH

Farmers' markets mean big bucks for Kentucky growers.

Farmers' markets have become big business in the Bluegrass State. Kentucky's 2,500 vendors generated more than \$12 million in sales in 2015, the Kentucky Department of Agriculture reported.

"Farmers' markets are a win-win for the customer and the farmer," Agriculture Commissioner Ryan Quarles said. "The customer is able to purchase a good product raised just down the road, not across the country. The farmer gets 100 percent of the consumer dollar – and, frequently, a repeat customer."

Kentucky has approximately 160 farmers' markets in 110 counties offering fruits, vegetables, meats, eggs, cut flowers, baked goods, crafts, and numerous other food and farm items.

The Kentucky Department of Agriculture works closely with farmers' markets to help them maximize their sales

and profits. Sharon Spencer, the KDA's farmers' market coordinator, travels the state to provide assistance and education to markets and vendors. Spencer recently revised the Kentucky Farmers' Market Manual, a comprehensive resource for market managers and vendors compiled in partnership with the Kentucky Department of Public Health and the University of Kentucky College of Agriculture, Food and Environment. The manual is available on the KDA website at kyagr.com/marketing/farmers-market.html.

FIGHTING HUNGER

Farmers' markets are playing an increasingly prominent role in the fight against hunger in Kentucky. Some 225 markets and vendors use EBTs – a more than 10-fold increase since 2010. This

makes it easier for consumers to pay with debit or credit cards, but it also enables customers to buy fresh, local foods with Supplemental Nutrition Assistance Program benefits. By making it easier for consumers to shop at farmers' markets, the EBT equipment also is helping Kentucky farmers make a living.

Spencer worked with MarketLink, the U.S. Department of Agriculture's Food and Nutrition Service, the National Association of Farmers' Market Nutrition Programs, and WorldPay to give markets and vendors the opportunity to sign up for free EBT equipment.

For more information about Kentucky farmers' markets, go to kyagr.com/marketing/farmers-market.html. To find a farmers' market near you, visit kyproud.com/kentucky-proud-producers.aspx.

SHOWING THEY'RE KENTUCKY PROUD

Restaurants seek local foods to meet growing customer demand



Left: Ouita Michel opened Holly Hill Inn with her husband, Chris, in 2001.

an artist draw an outline of the state of Kentucky, and we list all the farms that provide our products.”

Critchfield Meats, a family-owned distributor based in Lexington, carries Kentucky Proud meats, popcorn, mixes, and other products in its wholesale operation. “We’ve been Kentucky Proud since the get-go,” company President Mark Critchfield said. “We try to push as much Kentucky Proud as we can.”

Critchfield said the Kentucky Department of Agriculture helped him get local products into restaurants, colleges and universities, and Whitaker Bank Ballpark, home of the Lexington Legends minor league baseball team.

Kentucky-based distributors have increased their selection of Kentucky Proud foods in recent years, making it much easier for restaurants and retailers to find the local foods their customers want.

“When I first started Holly Hill Inn, there was no local food available through distributors,” said Michel, who opened her iconic flagship restaurant in 2001. “If we wanted to buy farm-raised product from local farmers, we had to buy it from the farmers themselves.”

Shortly thereafter, the Kentucky Department of Agriculture launched Kentucky Proud and created Restaurant Rewards, a program for restaurants and other foodservices that use Kentucky Proud products that have direct farm gate impact.

Kentucky Proud marketing campaigns raised consumer awareness of the availability of local foods. By 2014, recognition of the Kentucky Proud brand was 80 percent in the Louisville market, 75 percent in the Lexington market, and 69 percent statewide, a University of Kentucky study found.

Michel said distributors took notice of the growing consumer demand for local foods.

“I don’t think any of that would have happened without the broad marketing program of Kentucky Proud and the financial incentive of Restaurant Rewards that people could enroll in,” she said.

To find out more about Kentucky Proud, go to kyproud.com.

BREWING FOR BUCKS

Ag commissioner initiates talks on hops research

The Kentucky Department of Agriculture is in discussions with Western Kentucky University and the University of Kentucky to study the viability of hops production in the Commonwealth, Agriculture Commissioner Ryan Quarles said.

“The number of craft breweries in Kentucky has grown more than 600 percent just in the past five years, and that has created a market for Kentucky-grown hops,” Commissioner Quarles said. “It’s important that we work with our universities on research to establish the best production methods for potential emerging crops such as hops.”

“The College is excited to partner with KDA, the Kentucky Guild of Brewers, and the Kentucky Hop Growers Alliance to further our ability to produce hops successfully,” said Dr. Nancy Cox, dean of the University of Kentucky College of Agriculture, Food and Environment. “Land grant universities were invented to do work like this, and we are glad to help develop new crop enterprises.”

Commissioner Quarles said discussions and research are in the early stages. He said hops could be a viable crop in eastern Kentucky as well as the more traditional croplands in central and western Kentucky.

Typical yield of hops is about 6,000 pounds per acre wet or 2,500 pounds per acre dry. A small craft brewery uses an average of 18,000 pounds of hops a year, but some use much more; Alltech’s Lexington brewery, West Sixth Brewing, and Country Boy Brewing use about 100,000 pounds of hops a year combined.

Kentucky’s craft breweries directly provide more than 460 jobs and have invested \$27 million in start-up and infrastructure. This year alone, craft brewers have committed more than \$22 million in expansions in Kentucky. Beer produced in Kentucky has an estimated economic impact of \$495 million a year.

Kentucky restaurants have embraced Kentucky Proud as their customers increasingly seek out eateries that serve local foods.

“Consumers look for the Kentucky Proud logo as the brand for food that was raised, grown, processed, and/or manufactured in Kentucky,” Agriculture Commissioner Ryan Quarles said. “The brand is generating new sales for Kentucky restaurants and new income for Kentucky farmers and food businesses. The Kentucky Department of Agriculture works every day to help restaurants and retailers meet the growing demand for local food.”

Midway restaurateur Ouita Michel said her guests have come to expect high-quality local products and are willing to pay a little more for them. She said local foods are valuable for their quality but also for their freshness, which translates to longer shelf life and greater nutritional value.

“It’s also the emotional response we all have to the landscape in Kentucky,” Michel said. “We are still an agricultural state. Kentucky has a deep emotional attachment to the land and to the farming community.”

Susannah Sizemore, co-owner of Vinaigrette Salad Kitchen in Lexington, said about 25 percent of Vinaigrette’s food spending will go to Kentucky farmers this year. She said they work with 11 Kentucky Proud farmers and food producers.

“We make a big deal about our Kentucky Proud products,” Sizemore said. “We have a large chalk board, and we had

Kentucky Department of Agriculture photo



Kentucky Department of Agriculture



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PERSPECTIVE

DID YOU SEE YOUR ISSUE HIGHLIGHTED?

A ritual from our past, political
conventions remain useful

BY PAT FREIBERT

AMERICA'S Democrat and Republican national conventions every four years represent a long standing political tradition, but a tradition whose mission has changed somewhat. In earlier days, "political bosses" of both the Republican and Democrat Party did indeed hold court in smoke-filled rooms, hand-picking their party's presidential and vice-presidential candidates. These "political bosses" also controlled their political parties' platforms and official party positions on issues of their choosing. The Republican presidential candidate and the Democrat presidential candidate were officially nominated by the party delegates at these conventions.

While the conventions still officially nominate their presidential candidate, for all practical purposes, each party's candidate has already been decided earlier in primary elections held in each state. The result of this direct vote by the people is then presented to the national conventions by delegates from each state. These delegates generally cast their state's convention votes for the candidate who won their state's primary election. Occasionally, there are questions by and defections within delegations which may result in a "floor fight."

Present-day conventions are, more or less, rituals from the past, since primary elections have replaced the convention's chief purpose: to nominate the party's candidate for president of the United States. While presidential candidates are almost always decided in the primary election before the convention even convenes, conventions continue to serve a useful purpose. Conventions spotlight key issues, identify proposed solutions to our nation's problems, and also introduce the candidates and their families to the convention delegates and as many as 23 million American voters who are watching on television. Conventions provide many voters their first extended opportunity to see and hear from the candidates and to hear their case to become president.

New York industrialist Donald Trump has been selected as the GOP candidate for president, the first non-

politician selected by Republicans since Dwight Eisenhower in 1953. Initially, the media sector and professional pundits gave Trump almost no chance of being nominated or elected. In fact, almost no one liked his candidacy except the voters who thronged to his rallies and strongly supported him. The Democrat Party selected Hillary Clinton, who formerly mounted a presidential primary campaign eight years ago. The two candidates are polling just about even at the present time.

Polls continue to show that Americans feel that Washington has forgotten them and that voters do not trust "the insiders in government." In the face of sharp divisions among the country's voters, the outcome of the general election in November has immense importance for the future of our country. Divisiveness on policies generated by the White House is at an apex on numerous issues, including restoring opportunity for the middle class; a lethargic economy (take-home pay has been flat since 1999); uniting the country; illegal immigration and securing the nation's borders generally; enforcement of the rule of law; defeating ISIS and other radical Islamic terrorist groups who are at war with America; restoring authority and respect for police and other law enforcement; restoring respect and healthcare for our veterans; honoring and adequately arming our military; common-sense appointments to the Supreme Court; taming excessive regulatory control; eradicating murderous attacks on innocent citizens and on law enforcement officers.

There is much work to do to restore safety and prosperity in America and the work starts in the conventions. It must continue throughout the campaign. The national conventions are professionally planned and executed productions designed to showcase a party's nominee and other stars. They are entertaining, but also informative. The conventions identified some of the urgent issues and officially nominated the candidates. It is up to the voters between now and the November election.

Americans have the capacity now, as they always have in the past, to right the ship of state and move our country ahead. Whatever problems afflict America, we have before and must again rise above them. ■



Pat Freibert is a former Kentucky state representative from Lexington. She can be reached at editorial@lanereport.com.



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FAST LANE

A compilation of economic news from across Kentucky

STATE: BEVIN ADMINISTRATION LAUNCHES INITIATIVE TO REVIEW, CUT RED TAPE BURDENS HAMPERING BUSINESS

GOV. Matt Bevin has launched an initiative designed to revise or eliminate outdated or unnecessary state regulations that hamper business growth in Kentucky.

"As a business owner, I understand firsthand how difficult it can be for a new or growing business to be aware of, understand and comply with every government regulation," Bevin said. "While some regulations are very necessary and protect the public safety, others can stifle economic growth, impose unnecessary costs on businesses and impede private-sector investment. These costs all get passed through to the consumer. I constantly hear from business owners that confusing government mandates and red tape are huge challenges for them. There are more than 4,500 state regulations on the books in Kentucky, and only 15 to 20 percent of them have ever been reviewed for effectiveness or ongoing need. This suffocating red tape is a problem that must be fixed and, with the help of all Kentuckians, we intend to do just that."

Bevin is asking businesses and employees throughout the state to assist in the effort by identifying burdensome regulations and offering suggestions for improvement. A website has been established, RedTapeReduction.com, to collect those ideas and suggestions for review.

The governor has already instructed cabinet secretaries to start a review of all government regulations currently on the books. He is also asking all state employees, including those who enforce these regulations, to offer suggestions for improvement.



Gov. Matt Bevin

CORBIN: FRENCH COMPANY INVESTING \$15M TO OPEN FIRST U.S. PLANT, BRINGING 90 NEW JOBS TO CORBIN



Haagen Daz's Magnum line of ice-cream bars is among the clients for whom Euro Stick produces food-grade wooden sticks.

EURO Sticks Group, a French manufacturer of ice-cream and coffee-stir sticks, is investing \$15 million to open a new facility in Corbin that will create 90 new jobs.

The company plans to lease and oversee the build out of a 57,600-s.f. industrial building in the **Southeast Kentucky Business Park**. The facility will use locally sourced beech logs to make up to 2 billion ice-cream and coffee-stir sticks annually, producing a variety of sizes, shapes and lengths as well as custom logo printing.

Euro Sticks, a multigenerational family company, was drawn to the

Corbin area in large part because of the area's supply of beech trees: As a hardwood, beech is strong and has very little odor or flavor, making it ideal for food-grade use. The community's location along I-75 was also an advantage.

Euro Sticks President Frédéric Debacker told the *Corbin News Journal* that he hopes to begin production as soon as possible, as the company is already at capacity and needs to produce an additional billion sticks just to supply its current demand. The company hopes to have the Corbin facility operational by the beginning of 2017.

Euro Sticks also operates plants in the Czech Republic, Romania and Turkey as well as distribution facilities in Australia and Mexico. It employs 500 people and supplies over 10 billion sticks annually.

STATE: KY UNVEILS \$100M PLAN TO TRAIN WORKERS IN SKILLS INDUSTRY NEEDS

KENTUCKY has unveiled a new skills-training program designed to develop a workforce that can meet the industry demands of employers and provide better wages for workers.

The **Kentucky Work Ready Skills Initiative** is powered by a \$100 million statewide bond issue approved earlier this year by the **Kentucky General Assembly** to deal with the state's worker shortage.

The program will infuse dollars into statewide institutions to expand career and technical education facilities and upgrade equipment to ensure they meet existing and future career industry standards.



The new program will require educational organizations such as the **Kentucky Community and Technical College System** to submit applications for local projects that involve a partnership with at least one private employer and other local and regional partners that could be tailored to an area's workforce needs.

Applicants must provide a 10 percent financial match for their proposals, according to the governor's office.

"I hear repeatedly from employers about the shortage of workers with the skills needed to get the job done," Bevin said. "Making this problem worse is the fact that Kentucky's workforce as a percent of its population is currently one of the smallest in the nation. We intend to make Kentucky the manufacturing and logistical center of excellence in America."

The initiative will be managed by a nine-member board of directors that includes the secretary of the **Education and Workforce Development Cabinet**, the secretary of the **Cabinet for Economic Development**, the secretary of the **Kentucky Labor Cabinet**, the chair of the Kentucky Workforce Innovation Board, three state employers nominated by the governor, another member nominated by the speaker of the **Kentucky House of Representatives** and one member who is nominated by the **Kentucky Senate** president. Staff for the Kentucky Economic Development Finance Authority (KEDFA) will serve as technical support for the new initiative.

Additional information is available at educationcabinet.ky.gov/KY-Work-Ready-Skills.



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STATE: COAL INDUSTRY'S DECLINE LEADS WHAYNE SUPPLY TO CUT 87 WORKERS

CITING a continuing deterioration of the coal industry with no signs of improvement, **Whayne Supply Co.** announced in July that the company is laying off 87 workers.

Founded in 1913, the Louisville-based company is one of the nation's largest and oldest **Caterpillar** dealers and has 17 facilities in 16 cities across Kentucky and southern Indiana. In



Whayne Supply Co. is one of the country's largest dealers of Caterpillar equipment.

addition to CAT equipment parts, service, sales and rental, the company is also the local dealer for **Thomas Built Buses**, **Challenger**, **Massey Ferguson**, **Lexion**, **Sullair**, **Genie** and other construction, industrial, mining, paving, forestry and agricultural equipment.

In a statement announcing the layoffs – which represent approximately 7 percent of the total Whayne workforce – Whayne President and CEO Monty Boyd said that prior to the decision, the company had worked to reduce expenses and made opportunities available for employees to move into positions in other areas of the company.

FRANKLIN: SUMITOMO TO HIRE 145 FOR NEW PRODUCTION PLANT IN FRANKLIN

SUMITOMO Electric Wiring Systems Inc., an automotive supplier with that has had a presence in Kentucky for more than 30 years, is investing nearly \$10.5 million to establish a new production facility in Franklin's **Henderson Interstate Industrial Park**.

The decision to locate in Franklin comes in response to an anticipated increase in demand from auto-industry customers over the next several years. Company executives cited Franklin's access to I-65, proximity to the company's existing Scottsville location and the region's workforce as deciding factors in selecting the Franklin site.

The company is in the process of renovating a 65,000-s.f. building to house the new operation and plans to hire 145 people to staff the Franklin plant.

Japan-based Sumitomo established SEWS in 1986 as a joint venture between **Sumitomo Electric Industries** and **Sumitomo Wiring Systems**. SEWS maintains its U.S. headquarters in Bowling Green and operates facilities in Edmonton, Lexington and Scottsville, Ky.

Last year, SEWS broke ground on a 440,000-s.f. plant on Remington Way in Lexington to consolidate its two existing Lexington operations. That \$8.5 million project will create up to 10 new jobs and will double the company's Lexington footprint. The company anticipates the location will better serve customers and provide space for future growth.

BUSINESS BRIEFS

BOWLING GREEN

■ The **Sloan Convention Center** in Bowling Green is undergoing a \$1.5 million renovation to help keep the 60,000-s.f. facility competitive when vying for meeting and convention events. The project will be conducted in two phases, with the first being a lobby renovation to provide improved acoustics. The second phase will include a new roof, new landscaping and other general improvements to the 21-year-old facility. The convention center will remain open during the renovation projects.

Sloan Convention Center photo



CALVERT CITY

■ **Westlake Chemical Corp.**'s Calvert City complex is back in operation after an unexpected shut down that occurred on June 1 as a result of a mechanical failure of its ethylene unit. The company said the shut down, which resulted in a complete outage of the complex and halted all production, resulted in a \$40 million impact that will affect both the second- and third-quarter financial results. Westlake Chemical is an international manufacturer and supplier of petrochemicals, polymers and building products.

CENTRAL CITY

■ **Brewco Marketing Group** is investing \$600,000 to expand its operations in Central City, a project that will involve repurposing 2,500 s.f. of warehouse space into administrative offices, building an 8,500-s.f. production facility and adding 18 new jobs. Founded in 1997, the company has grown from a Kentucky-based **NASCAR** team to a national force in the growing experiential marketing arena, with facilities in Kentucky, North Carolina and Tennessee. The company currently employs a total of 147 people and has worked with some of the world's most recognizable corporate names, including **General Motors**, **Kohler**, **Kimberly-Clark**, **McDonald's** and **General Mills**.

COVINGTON

■ **Bexion Pharmaceuticals** has received approval from the U.S. Food and Drug Administration (FDA) to begin clinical trials for its new cancer drug, BXQ-350. The trial will include adult patients with advanced solid tumors (including glioma, a type of brain cancer) and is designed to determine the maximum tolerated dose of BXQ-350 and to characterize its safety and pharmacokinetics. In preclinical animal studies, BXQ-350 was shown to induce tumor cell death in a variety of cancers, while leaving healthy cells unharmed.



Napolean Grills photo

CRITTENDEN

■ **Wolf Steel LTD**, a manufacturer of high-end grills, stoves, fireplaces, furnaces and HVAC units under the **Napolean** brand, has completed a \$2.3 million expansion of its operations in Crittenden and added 30 new positions to its 60-member staff. A new 80,584-s.f. warehouse adjoins the company's current facility and frees up space for additional manufacturing and logistics. Wolf's Crittenden operation opened in 2001 and currently produces grills and fireplaces. The most recent expansion is the plant's second in the last seven years.

ELIZABETHTOWN

■ **Eurotrol**, a Netherlands-based supplier of medical quality-control products, has announced plans to build a distribution center in Elizabethtown that will initially create 10 to 15 full-time jobs. The company plans to break ground later this year on a 10,000-s.f. facility in the T.J. Patterson Industrial Park that will serve as its principle distribution hub for North, Central and South America, receiving and shipping equipment that ensures the accuracy and precision of laboratory instruments used to test patients' blood. Company leaders cited Elizabethtown's central location and access to the UPS Worldport hub in Louisville as deciding factors in choosing the location.



BUSINESS BRIEFS

ELIZABETHTOWN

■ **Ark Investment Partners**, a company that develops hotels, luxury senior apartments, assisted living facilities and student accommodations, has purchased 8.4 acres on Ring Road in Elizabethtown with plans to build a hotel and restaurant complex. Preliminary plans call for a four-story, 112-room hotel on half of the site. Construction is expected to get underway in early 2017.

HENDERSON

■ **Marshall Ventures Fund** has invested \$290,000 in **Nectar Technologies**, a Henderson company that is working on developing a new clean-coal technology. In a statement released announcing the investment, Nectar executives said that the product has shown great promise in both the lab and the field, but has not yet been proven to work on coal in the United States. The company hopes to begin testing their product with **Big Rivers Electric Corp.** in the coming weeks. Marshall Ventures is a \$2 million micro-venture fund based in Owensboro and made up of 16 local investors.

LEXINGTON

■ Citing the changing landscape of the media industry, the **Lexington Herald-Leader** newspaper has moved print production of the newspaper to Louisville and is in the process of selling its building in downtown Lexington, along with a packaging facility located a short distance away in Lexington. The changes have resulted in the layoff of 25 full-time employees and four part-time staff members.

■ **Lexmark** shareholders have approved the acquisition of the company by **Apex Technology Co.** and **PAG Asia Capital**. Upon completion of the transaction, Lexmark shareholders will receive \$40.50 per share in cash. The acquisition is expected to be complete by the end of the year.



Lexmark

■ The **University of Kentucky Gatton College of Business and Economics** is now offering a new Healthcare MBA program, specifically structured for healthcare professionals. The healthcare-specific courses that encompass the Healthcare MBA are also being offered in a stand-alone Healthcare Graduate Certificate. Students have the option to take the courses as a stand-alone certificate over the course of three semesters, or complete the seven additional MBA courses to achieve the Healthcare MBA.

LOUISVILLE

■ Researchers at the **University of Louisville** have received a nearly \$8 million grant from the **National Institutes of Health** that designates it as an NIAAA Alcohol Research Center. The UofL Center is one of only 20 in the nation and the only center with a nutrition focus. UofL researchers are going to be examining the interactive role of nutrition and alcohol in the effects of alcohol on the human body.

■ **Brown-Forman Corp.** has announced plans to establish its own distribution organization in Spain, effective July 1, 2017. The Louisville-based spirits company plans to add approximately 40 jobs in connection with the change.



BROWN-FORMAN

Spain will join Australia, Brazil, Canada, China, the Czech Republic, France, Germany, Hong Kong, Mexico, Poland, South Korea, Thailand, Turkey, and the U.K. as markets in which Brown-Forman owns or directly manages its own distribution.

■ **Mountjoy Chilton Medley LLP**, a Louisville-based regional accounting firm, has expanded its market presence with the addition of the Cincinnati CPA firm **Elliott Davis Decosimo**. MCM moved into the Cincinnati market in 2012 and merged with the firm of **Cooney Faulkner and Stephens LLC** in 2015. This most recent acquisition will give MCM more than 60 professionals and staff members in the Cincinnati market. MCM employs nearly 300 employees across five offices, with locations in Jeffersonville, Ind., and Lexington, Ky., in addition to its Louisville and Cincinnati offices.

FRANKLIN: PURACAP PURCHASE OF BLU PHARMACEUTICALS CREATES NEW JOBS

PURACAP Pharmaceutical LLC has acquired Franklin-based **Blu Pharmaceutical LLC** and its sister company, **Blu Caribe Inc.**, to create PuraCap International, a joint venture between PuraCap and **Dangdai International Group Co. Ltd.**



Franklin-based Blu Pharmaceuticals produces generic pharmaceutical products for major wholesalers, mail-order pharmacies and government agencies.

The acquisition includes an 185,000-s.f. warehouse and distribution center in Franklin as well as a 145,000-s.f., FDA-approved manufacturing facility in Puerto Rico.

The acquisition of the Blu companies – which supply generic pharmaceutical products to major wholesalers, group purchasing organizations, mail-order pharmacies and government agencies – extends New Jersey-based PuraCap's manufacturing beyond soft gelatin capsules to include oral tablet and capsule dosage forms for both the U.S. and global markets.

The Franklin facility already includes a blister-packaging line and PuraCap is in the process of installing a bottle-packaging line. The company expects to add up to 40 new jobs in Franklin as a result of the expanded operations.

"This should create additional distribution-related jobs at the Franklin facility in the coming years," PuraCap International President Sean Weeks told *The Franklin Favorite*. "Franklin's location is ideal and is strategic within the major transportation hubs and access to customer distribution centers. This site will be a great asset to us in ensuring our products can be delivered efficiently throughout the United States."

Blu Pharmaceutical owners Bill and Sharon Luster, who founded the company in Franklin 10 years ago, say they will continue to play an active role in the new company.

RUSSELL SPRINGS: AUTO SUPPLIER'S EXPANSION DOUBLES FACILITY, JOBS

JUST two years after opening its plant in Russell Springs, **Dr. Schneider Automotive Systems Inc.** has completed an expansion that doubles the size of the facility and also doubles the company's workforce there, bringing it to 300.

The expansion increases the German company's investment in the Kentucky plant to nearly \$43 million.

Dr. Schneider initially announced its Kentucky plant in August 2013 and began renovation of the former **Hitachi Cable** building in Russell Springs that fall. The \$29 million, 64,000-s.f. facility opened in April 2014, manufacturing fresh-air vent systems and window frames.

Founded by Dr. Franz Schneider as a tobacco company more than 80 years ago, the business moved into production of tobacco pipes and became a pioneer in plastics processing. Schneider family members later applied that expertise to the automotive market, producing vent and trim systems for automotive manufacturers around the world.

The company, which is still family owned, currently supplies products for **Bentley**, **Lamborghini**, **Ford**, **Mercedes**, **BMW** and **Volkswagen**, among others. Apart from the Russell Springs location, Dr. Schneider employs more than 2,800 people at nine plants worldwide.

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BUSINESS BRIEFS

LOUISVILLE

■ Louisville-based **Norton Healthcare** has granted \$1.25 million to the **University of Louisville** to foster research to help children with medical conditions such as autism, heart disease and cancer. Norton is a not-for-profit healthcare organization that includes five Louisville hospitals and approximately 2,000 physicians.

■ The **University of Louisville** has introduced a new program that allows eligible undergraduates to have their senior year of college also count as their first year of law school. Implementation of the 3+3 Accelerated Law Program means that students can complete their law degree a year earlier and represents a financial savings of \$20,000 for in-state students.

■ In an effort to balance supply with rapidly growing demand for its products, **Michter's Distillery** is taking steps to double its **M2** distillery's capacity, adding new equipment and a second shift. Demand for the company's product has been so great that Michter's has been forced to cancel the release of its **Michter's US*1 Toasted Barrel Bourbon** during 2016. The distillery expansion will double the facility's production.



■ Louisville-based **Thornton's** is adding more than 100 positions in its Louisville and Southern Indiana convenience stores to support the company's plans for growth. The company is looking to fill management-level positions in addition to hiring drivers, operations engineers, instructional designers and other positions.

MURRAY

■ **Murray State University** has announced a new partnership with the **Peace Corps** that will offer students a combination of undergraduate coursework and community service to prepare them for an international career. Although completion of the program does not guarantee acceptance into the Peace Corps, the program will help Murray State graduates build on key competencies that the Peace Corps looks for in their applicants. The program is open to all Murray State undergraduate students with any major and pairs selected courses with leadership and community service opportunities. Murray State is the first academic institution in Kentucky to offer the Peace Corps Prep program. Students will be able to apply for enrollment to the new Peace Corps Prep program beginning this fall.



will be built on the site previously occupied by Case Hall and Annex. A recently enacted student fee will finance renovations to the nearby Powell Building – which currently houses EKU's dining facilities – for use as a student union facility, the addition of a Steak 'n Shake and Starbucks and "refreshes" to other existing campus locations.

RUSSELLVILLE

■ Seeking to return struggling Russellville automotive supplier **Precision Die Casting** to profitability and retain more than 170 jobs after purchasing the company in February, India-based **Rane (Madras) Ltd.** has announced plans to invest nearly \$6 million in new equipment, tooling and upgrades. Rane Precision Die Casting manufactures high-pressure aluminum die-cast steering and compressor components for the automotive industry. Its customers include automotive suppliers TRW, Nexteer Automotive, Mahle and JTEKT.

NORTHERN KY: ST. ELIZABETH HEALTHCARE ALLIES WITH OHC ON CANCER CENTER

ST. Elizabeth Healthcare has formed an alliance with **OHC (Oncology Hematology Care)**, a Cincinnati-based provider of cancer treatments, to create the Northern Kentucky region's first comprehensive cancer center.

With more than 70 physicians and advanced practice providers, OHC treats nearly every



form of adult cancer and complex blood disorder and ranks as one of the largest independent oncology practices in the country.

St. Elizabeth Healthcare operates seven facilities throughout Northern Kentucky and more than 115 primary care and specialty office locations in Kentucky, Indiana and Ohio. St. Elizabeth is sponsored by the **Diocese of Covington** and is a member of the **Mayo Clinic Care Network**.

"As OHC continues to evaluate options and strategies for our future, we felt the opportunity for St. Elizabeth to build a comprehensive cancer center would best serve the needs of the Northern Kentucky cancer population and enable OHC to invest in other important initiatives of the practice," said E. Randolph Broun, OHC president and chairman of the board.

According to the **National Cancer Institute's** Kentucky profile, Kenton County has the third highest rate of annual cancer diagnosis in the commonwealth, with Boone County following in sixth and Campbell County in eighth. From a national level, Kentucky is one of five states with the highest incidence rate for cancer, with Kentucky having the highest death rate of all.

SALYERSVILLE: LOGAN EXPANDING TO MEET DEMAND FOR CUSTOM DUMP-TRUCK BEDS



Orders have been pouring in for Logan Corp.'s new line of custom dump-truck beds, creating the need for a larger facility and more employees.

ON the brink of closing only one year ago, **Logan Corp.** is now investing \$2.6 million to move to a new building five times its current size and adding 70 new employees to its 47-member staff to help meet soaring

demand for its new line of custom dump-truck beds.

The expansion is welcome news for Magoffin County, which recently reported the state's highest unemployment rate of 15.6 percent.

The state has approved a loan and incentive package so Logan – a diversified company that manufactures products for the mining, rail transport, industrial and construction and power-generation markets – can move from its 27,000-s.f. Martin County facility to a 137,000-s.f. building in nearby Magoffin County. The Magoffin building, a recently closed mining-related facility, is within commuting distance of the current plant and could go operational this fall.

Last year, with much of its business tied to the mining industry, Logan was in decline and forced to lay off employees. Turning to their previous experience in the truck-body industry, company management decided to design and build custom dump-truck beds. Now the company is having to turn away orders due to lack of space.

"This new building will allow us to reduce our lead time," General Manager Randy Risner said. "We also have customers interested in aluminum beds. We're doing all steel right now and this will give us the space to expand into that market."

ASHLAND: KENTUCKY POWER TO MOVE HQ FROM FRANKFORT TO ASHLAND



KENTUCKY Power, the electrical service provider for some 169,000 customers in Eastern Kentucky, has announced plans to move its state headquarters from Frankfort back to its original home in Ashland.

Kentucky Power President and COO Greg Pauley said the move will take place Jan. 1, 2017. Employees and support staff are expected to move to the new office, including the president and chief operating officer, managing director of regulatory and finance, managers for external affairs and corporate communications, and an executive assistant. Members of Kentucky Power's regulatory group will remain in Frankfort.

Kentucky Power moved its state headquarters to Frankfort more than a decade ago to be closer to government operations. The company will continue to maintain a regulatory presence in the state capital.

"This move is important for Kentucky Power and the communities we serve in Eastern Kentucky," Pauley said. "We take great pride in working with and supporting the communities in which we operate, and believe there is strong benefit for us as a company and for the customers we serve to have our state headquarters located within the service territory."

The headquarters relocation comes just months after Kentucky Power announced it was reorganizing to streamline operations, improve reliability and better serve customers in Eastern Kentucky.

STATE: SULLIVAN UNIVERSITY MAKES SOFT-SKILL COURSES MANDATORY

SULLIVAN University is now requiring its students to complete soft-skills training as part of its curriculum, beginning this fall. The university is utilizing Dale Carnegie courses – which it has long offered as elective courses – to enhance the essential soft skills that many employers say is lacking in many new graduates.

"The hot topic in the business world is finding a way to provide millennials with employable and essential human relations skills such as communicating with co-workers and others in a professional manner, self-confidence, dealing with pressure and stress, understanding and learning how to be an effective members of a team," said Sullivan University Vice President Jim Crick, who serves as director of the school's Dale Carnegie Training Program. "Research from throughout the United States shows us that many in the millennial generation present unique challenges in the development of the core values that employers want and that the Dale Carnegie course addresses."

According to a statement from the university, Sullivan is the only school in the nation offering Dale Carnegie training as a required elective and is the only school in Kentucky authorized to offer Dale Carnegie courses and training.

The Sullivan University system includes campuses in Louisville, Lexington, and extension in Fort Knox, and Sullivan University Centers for Learning in Northern Kentucky and Louisa, as well as an online division.

BUSINESS BRIEFS

SHEPHERDSVILLE

■ **Eby-Brown Co.**, a family-owned wholesale consumer products distributor, is opening a 300,000-s.f. distribution center in Shepherdsville's Cedar Grove Business Park that will create more than 250 new jobs. The facility is scheduled to open in January 2017 and will initially serve 750 customers in the Kentucky, Tennessee and southern Indiana and Ohio markets.

■ The Indianapolis-based real estate investment firm of **Browning Investments** is constructing a 721,050-s.f. warehouse on 41 acres just off of I-65 in Shepherdsville in the Velocity65 Trade Center. The new building – known as Velocity 1 – is being built in response to a "huge influx in recent demand" for buildings over 600,000 s.f., according to Phil Charmoli, a senior real estate advisor with Cushman and Wakefield of Kentucky, and will join other major existing logistics facilities in the area such as Amazon, Best Buy, UPS and Gordon Foods distribution centers. Velocity 1 will feature up to 139 trailer staging spaces and up to 169 potential docks.

STURGIS

■ **Ervin Cable Construction LLC**, a telecom construction company, is investing \$511,000 to expand its headquarters in Sturgis. The project will include construction of a 12,000-s.f. facility that will house the 36-year-old company's corporate safety department, training grounds and additional warehouse space. Ervin currently employs a staff of 66 and plans to add 20 more jobs as part of the expansion.

VERSAILLES

■ Construction is slated to begin in mid-August on a \$57.1 million facility in Versailles that will house **More Than A Bakery LLC's** newest operation. The century-old family business, headquartered in Indiana, plans to hire 310 people for the new facility, which will produce cookies, crackers and other baked goods by contract for major food brands and retailers. The bakery is expected to open at the end of 2017 and is being built on more than 100 acres in order to allow for future expansion.



WHITESBURG

■ **Kentucky Mist Moonshine** has become the newest member of the **Kentucky Distillers Association**, bringing the total number of member companies to 28. Owner Colin Fultz has drawn upon his grandfather Henry Holbrook's bootlegging history in the hills of Appalachia to create flavored moonshines using locally grown fruits. The Kentucky Distillers Association is a nonprofit group that unites and leads the state's bourbon and distilled spirits industry.

STATE

■ On July 13, the **Kentucky Registry of Election Finance** agreed to a final judgment in a lawsuit challenging the treatment of unions and corporations under state campaign finance laws. The final judgment allows corporations and unions to donate to political campaigns through Political Action Committees, but neither will be allowed to make direct contributions outside their PACs. Previously, unions could contribute directly to candidates and to candidates through union-funded PACs, while corporations were barred from making any contributions whatsoever. In March, a federal court found that the law violated the federal constitution's requirement of equal treatment. The new law affects state and local candidates, not candidates for federal office, and mirrors the law that has been in place for federal candidates for years.

■ The **University of Kentucky** and the **University of Louisville** have been ranked among the top 100 universities worldwide for the number of U.S. utility patents issued in 2015, according to a report published by the National Academy of Inventors and Intellectual Property Owners Association. UK ranked 91st, in a five-way tie, with 31 new patents while UofL ranked in a five-way tie for 97th place with 25 patents. The rankings were compiled by calculating the number of utility patents granted by the U.S. Patent and Trademark Office that list a university as the first assignee on the printed patent.

INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ **Crum Trucking**, a trucking and logistics company that operates a fleet of 150 trucks, is investing more than \$4 million to expand its operations in Batesville, Ind. Crum will more than double its existing 12,600-s.f. facility, enabling the company to increase its capacity and accommodate growing demand. The expansion will add 72 jobs to the existing 170-member full-time staff.

OHIO

■ **Everything but the House (EBTH)**, a rapidly growing Cincinnati-based online estate auction company, plans to add 275 jobs at its new 100,000-s.f. distribution center in Blue Ash, Ohio. The company is looking to hire cataloguers, photographers and fulfillment specialists. Founded in 2008, the company now employs a staff of 500 and is now active in 22 cities, with plans to add 29 more by the end of 2016.



■ **Bleckmann**, a Dutch-Belgian company that focuses on third-party logistics in the fashion and lifestyle sector, is investing \$3.5 million to open a 175,000-s.f. distribution center in Johnstown, Ohio, part of the greater Columbus region. The facility, which will employ a staff of 200, represents the company's entry into the U.S. market. Company officials said the Columbus region provided the right mix of strong infrastructure, workforce and location.

■ **Convergys Corp.**, a Cincinnati-based customer management company, has reached an agreement to acquire Germany-based **buw** in a deal valued at approximately \$135 million. Buw is the largest owner-operated customer management company in Germany, with 16 sites and approximately 6,000 employees located in Germany, Hungary and Romania. The company generates around \$165 million in annual revenue, providing business process outsourcing services to a wide array of industries. Convergys is one of the largest customer management companies in the U.S., with 130,000 employees in more than 150 locations around the globe.

■ **FCA US** (Fiat Chrysler Automobiles) is investing \$700 million in the **Toledo Assembly Complex** to retool its North plant for the next-generation **Jeep Wrangler**. The company expects to add approximately 700 jobs as part of the project.



FCA photo

■ **Dana Holding Corp.** is investing \$70 million to open a new high-tech axle manufacturing facility in Toledo that will employ more than 300 people by 2020. Located adjacent to I-75, the new facility will be ideally located to support automakers throughout the region. The site was previously home to **Willys-Overland Motors**, which developed the original **Jeep**, and is less than three miles from **FCA US's Toledo Assembly Plant**.

TENNESSEE

■ **Amsurg**, a Nashville-based company that owns outpatient surgery centers and provides physician services to hospitals, has announced plans to merge with **Envision Healthcare**, a Colorado company that provides an array of physician-led healthcare services. The combined entity, which will have a market capitalization of \$10 billion, will be one of the nation's largest provider organizations and will operate under the Envision name. The company will be co-headquartered in Nashville and Greenwood Village, Colo.

■ **Schneider Electric**, a global company that specializes in energy management and automation, is consolidating its existing Middle Tennessee operations in Franklin to create a regional office that will serve the company's national customers. The consolidation will relocate approximately 900 current employees and create 250 new jobs.

OHIO: HONEYWELL TO BUY OHIO-BASED INTELLIGRATED IN \$1.5 BILLION DEAL

INTELLIGRATED, a Cincinnati-based company that specializes in automated material handling solutions, has entered into an agreement to be acquired by **Honeywell** in a transaction valued at \$1.5 billion.

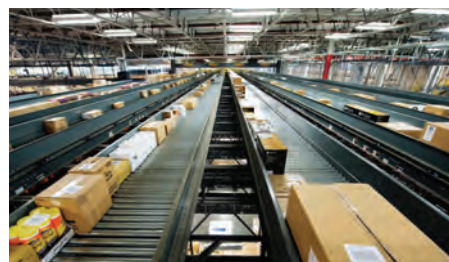
A statement announcing the acquisition noted that Intelligrated provides Honeywell with "an attractive portfolio of warehouse automation, order fulfillment and software solutions with an extensive presence in North American e-commerce, retail, food and beverage markets."

Intelligrated employs more than 3,100 employees in the United States, Canada, Mexico, Brazil and China. The company posted a 30.4 percent growth in revenue between 2013 and 2015.

New Jersey-based Honeywell has a workforce of some 130,000 worldwide and reported 2015 revenues of \$38.6 billion.

Intelligrated CEO Chris Cole said that joining Honeywell enables the company "to break new ground with the most advanced levels of systems integration, intelligent software and controls, and data-driven efficiency."

Following the transaction closing, Intelligrated will become part of Honeywell's Automation and Control Solutions business.



Cincinnati-based Intelligrated is a leading North American provider of intelligent automated material handling solutions that drive fulfillment productivity for retailers, manufacturers and logistics providers around the world.

INDIANA: CALIFORNIA TECH FIRM MOVES HQ FROM SILICON VALLEY TO INDIANA

DETERMINE Inc., a global provider of cloud-based contract lifecycle management, is relocating its headquarters from San Mateo, Calif., to Carmel, Ind., an area near Indianapolis that has seen growth of its tech community surge in recent years.

The company's new headquarters will serve as a home base for its worldwide business, which includes offices in California, Georgia, France and the United Kingdom. Determine serves more than 300 clients around the world, including companies such as **AOL**, **Cushman & Wakefield**, **Endo Pharmaceuticals**, **Nordstrom** and **Sony Music Entertainment**.

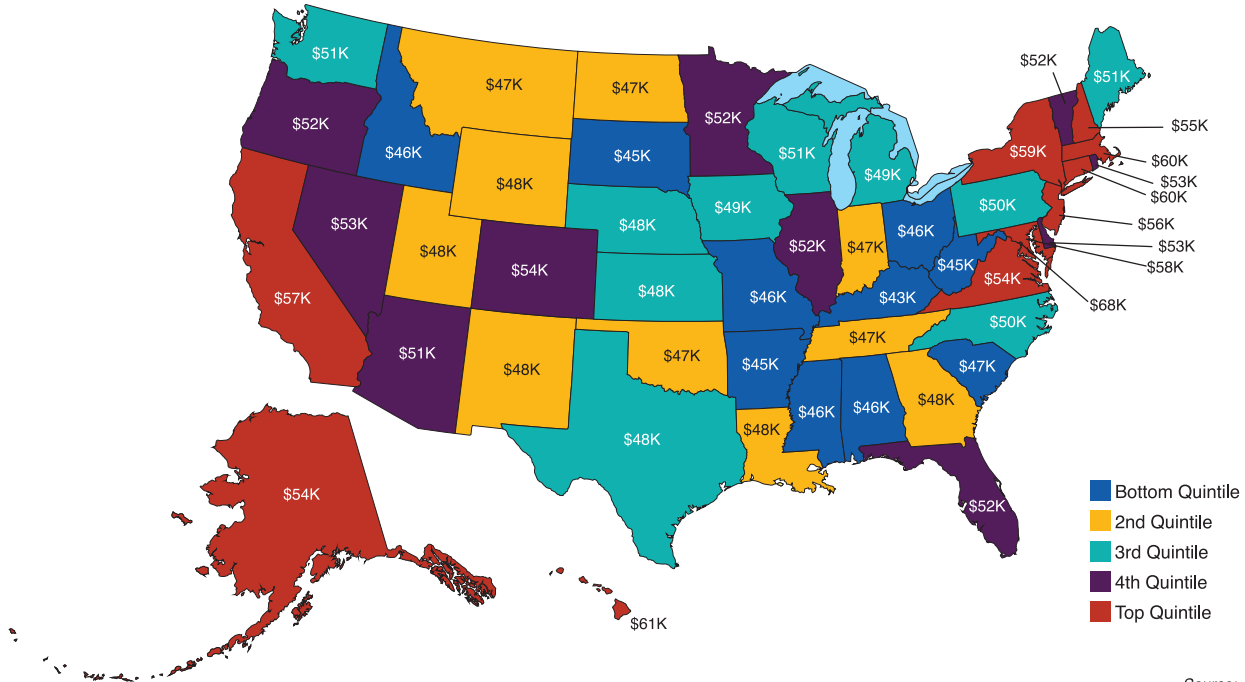
"It was a big decision to leave Silicon Valley, but we believe that Carmel offers us a centralized strategic location for both staffing and maintaining connectivity to our global offices and customers," said Determine President and CEO Patrick Stakenas. "Locating in Carmel offers us an extremely solid business environment and a quality of life that will allow us to attract and retain talented employees. Due to these key points, the bulk of our future U.S.-based growth will be in Indiana."

Determine is joining a booming tech community and a growing list of firms like Appirio and Rook Security that have relocated headquarters operations from California. According to real estate firm **CBRE Research**, the Indianapolis area added more than 3,000 high-tech jobs from 2012 to 2014, growing at a rate of 18 percent and exceeding the national average of 5.7 percent.

AMERICA'S 'LIVING WAGE'

Much discussion of late has involved the term "living wage." But what, exactly, qualifies as a living wage? A recent study used the "Living Wage Calculator" developed in 2004 at the Massachusetts Institute of Technology (MIT) to determine what constitutes a living wage – defined as the amount of money needed to cover a family's food, child care, health insurance, housing, transportation, clothing and personal-care items plus relevant taxes – in each state. The calculations listed in the map below are based on a family of two adults and one child.

HOW MUCH IS THE LIVING WAGE IN EACH STATE



Source: Zippia/MIT

KEEP IT CLEAN!

With online shopping presenting strong competition for brick-and-mortar retailers, it's more important than ever for retailers to ensure their stores are doing everything they can to retain customers. A new survey conducted by Harris Poll found that how well a store is maintained plays a significant role in consumers' decisions on where to shop.

TOP FACTORS THAT TURN OFF SHOPPERS

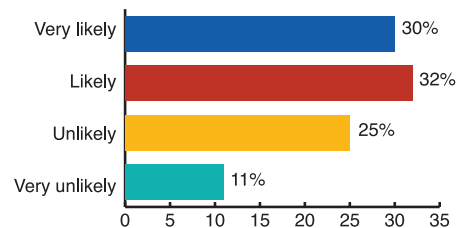
General bad odor	78%
Dirty restrooms (floors, stalls, mirrors, odor)	66%
Dirty surfaces (dust on displays, dust bunnies on floor)	65%
Entryway cleanliness (cigarette butts, overflowing trash cans, unkempt appearance)	60%
Dressing room conditions (dirty mirrors and floors, broken locks, lighting issues)	56%
Broken or cracked glass	53%
Plumbing issues (e.g., toilets and/or sinks not working)	52%
Slippery floors	52%
Noise (loud music, loud employees, phones ringing)	43%
Lighting issues	40%
Temperature	30%

Source: Harris Poll/Cintas

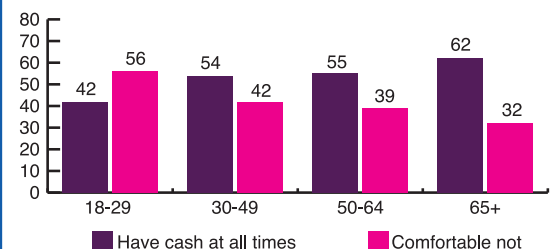
A CASHLESS SOCIETY?

A June 2016 survey of Americans finds that a majority expect the United States to become a cashless society within their lifetime.

HOW LIKELY DO YOU THINK IT IS THAT IN YOUR LIFETIME THE UNITED STATES WILL BE A CASHLESS SOCIETY, IN WHICH ALL PURCHASES ARE MADE WITH CREDIT CARDS, DEBIT CARDS AND OTHER FORMS OF ELECTRONIC PAYMENT?



ARE YOU SOMEONE WHO LIKES TO HAVE CASH ON YOU AT ALL TIMES WHEN YOU ARE OUT OF YOUR HOME, OR ARE YOU COMFORTABLE NOT HAVING CASH ON YOU?



Source: Gallup

CORPORATE MOVES

New leadership for Kentucky businesses

ARTS

■ **Leslie Antoniel** has joined the management team of the Louisville Orchestra as director of development.

■ **Rick McCue** has been named executive director of the Southern Kentucky Performing Arts Center in Bowling Green.

BANKING

■ **Magda Pérez** has been appointed vice president-relationship manager for Lexington-based Bank of the Bluegrass & Trust Co.'s wealth management division.



Magda Pérez

■ **Tom Eller** has been named regional president of BB&T's Louisville-based Kentucky region. Eller succeeds **Heath Campbell**, who has been named regional president of the bank's Atlanta-based North Georgia region.

■ **Ricky Peterson** has been promoted to vice president, commercial loan officer for Community Trust Bank's Danville market.



Ricky Peterson



Chris French

Chris French has been promoted to vice president, relationship manager and commercial lender in Lexington.

■ **Rhonda Wells** has been promoted to vice president/training and development coordinator for First Security Bank in Owensboro.



Rhonda Wells

BUSINESS DEVELOPMENT

■ **Amy Cloud** has been hired as the new executive director of the Kentucky Chamber of Commerce Executives, the professional development society for local chambers of commerce in the state.

■ **Jaclyn Graves** has joined the Greater Owensboro Chamber of Commerce as membership development manager.

EDUCATION

■ Eastern Kentucky University has announced the following appointments: **Timothy Forde** – chief diversity officer and special assistant to the executive vice president; **Ryan Green** – executive director of budgeting and financial planning.



Timothy Forde



Ryan Green

■ **Sharon Kerrick** has been named assistant dean of the Bellarmine University School of Business. The university has appointed **Keith Richardson** to an endowed chair in accounting.

■ **Brad Moore** has been named associate athletics director for external operations at Kentucky Wesleyan College.



Brad Moore

■ **Tim P. Rhodes** has been named assistant vice president for enrollment services at Morehead State University.

■ The University of Kentucky has selected **R. Kiplin Guy** as the new dean of the University of Kentucky College of Pharmacy. Guy comes to the position from St. Jude Children's Research Hospital, where he is chairman of the Department of Chemical Biology and Therapeutics.



Kiplin Guy

■ **Jeff Zumwalt** has been named director of utilities and energy management at the University of Kentucky.



Jeff Zumwalt

■ **John Ernst** has been named associate vice president for academic affairs/student success at Morehead State University.

■ **Sue Roberts** has been named associate provost for internationalization at the University of Kentucky. Roberts will continue in her role as professor of geography.

■ **Darryl Peavler** has been named director of alumni relations at Campbellsville University.



Darryl Peavler

■ **Brian Cusato** has been appointed associate dean at Centre College. Cusato is an associate professor of psychology and behavioral neuroscience.

EQUINE

■ **Bill Moroney** has been named chief executive officer the United States Equestrian Federation.

FOOD/SPIRITS/HOSPITALITY

■ **Leigh Ann VanDam** has been appointed senior director of development and real estate for Louisville-based Long John Silver's.



Leigh Ann VanDam

■ **Brendan Haren** has been named executive chef at Hotel Covington's Coppin's Restaurant & Bar.

■ **Scott Hagan** has joined the Hyatt Regency Lexington as director of revenue management.



Scott Hagan

GOVERNMENT

■ **Stephen R. Henry** has been appointed judge-executive of Webster Co. Henry succeeds **James R. Townsend**, who has resigned.

■ **Noelle Hunter** has been appointed executive director of the Kentucky Office of Highway Safety.



Noelle Hunter

■ **Talina Rose Mathews** has been named executive director of the Kentucky Public Service Commission.

■ **Joy A. Kramer** has been sworn in as chief judge of the Kentucky Court of Appeals.

■ **Hiram Polk** has been appointed commissioner of the Kentucky Department for Public Health. **Robert S. Silverthorn Jr.** has been appointed inspector general for the department.

■ **R. Bruce Scott** has been appointed deputy secretary of the Kentucky Energy and Environment Cabinet.

■ **Aaron Keatley** has been named commissioner of the Department for Environment Protection.

■ **Jean West** has joined the Kentucky Cabinet for Health and Family Services as executive director of communications.

HEALTHCARE

■ **Patricia T. "Patty" Mason** has been promoted to vice president of strategy and marketing for Baptist Health.



Patty Mason

MARKETING

■ **Charlie Hall** has been named president of Louisville-based digital marketing agency Xtreme Media.

MEDIA

■ WHAS11 in Louisville has named **Daniel Trotter** as digital and social content director.

NONPROFIT

■ **Grant Phelps** has been named president and chief executive officer of the North Limestone Community Development Corp. in Lexington.

■ **Mary Lynn Spalding** has been appointed president and chief executive officer of Louisville-based Christian Care Communities, a nonprofit provider of senior living and long-term care communities.

TRANSPORTATION

■ **Nicholas Portaro** has been named vice president of sales for Delta Private Jets Inc., an Erlanger company that is a wholly owned subsidiary of Delta Air Lines.

OTHER

■ **Ben Chandler** has been named president and chief executive officer of the Foundation for a Healthy Kentucky.

■ **Phillip Milliner** has been appointed chief financial officer of Louisville-based CafePress Inc.

ON THE BOARDS

Kentuckians named to organizational leadership roles

AARP FOUNDATION

■ **Tim Kelly** as been named to the board of directors of the AARP Foundation, an organization that serves low-income older adults. Kelly retired as president and publisher of the *Lexington Herald-Leader* in 2011 and currently serves as a media adviser and consultant.



Tim Kelly

AMERICAN OSTEOPATHIC ASSOCIATION

■ **Dr. Boyd R. Buser** has been elected president of the American Osteopathic Association. Buser is dean of the Kentucky College of Osteopathic Medicine.



Boyd Buser

AMERICAN SOCIETY OF JOURNALISTS AND AUTHORS

■ Kentucky attorney, author and photographer **Milt Toby** has been elected vice president of the American Society of Journalists and Authors. Toby has authored eight books on Thoroughbred racing and equine law.

BOYLE COUNTY INDUSTRIAL FOUNDATION

■ **Cindy Ellsworth** has been elected to the board of directors of the Boyle County Industrial Foundation. Ellsworth is retired with over 30 years of experience in industrial marketing and accounts management. She has worked in industrial and technical sales for Anaconda Corp., as a tri-state senior sales engineer for Aeroquip Corp., and as a national accounts manager for Atmos Energy.

CEDAR LAKE

■ Louisville-based Cedar Lake, a nonprofit care provider for adults with intellectual and developmental disabilities, has elected **Bryan Bain** to the board of directors for Cedar Lake Residences. Bain is the change, incident and problem manager for UPS's Transportation Technology Group.



Bryan Bain

EXECUTIVE BRANCH ETHICS COMMISSION

■ **Theresa F. Camoriano** and **Christopher L. Thacker** have been appointed by Gov. Matt Bevin to the Executive Branch Ethics Commission. Camoriano, of Louisville, is a registered patent attorney. Thacker, of Winchester, is an attorney with Billings Law Firm PLLC.

FARMERS CAPITAL BANK

■ **John C. Roach** has been named to the board of directors for Frankfort-based Farmers Capital Bank Corp. In addition to being a former Kentucky Supreme Court justice, Roach has served as general counsel for both Gov. Ernie Fletcher and Gov. Matt Bevin. He now practices law at Ransdell Roach & Roysse PLLC.



John Roach

FEDERAL COMMISSION ON EVIDENCE-BASED POLICYMAKING

■ **Kenneth R. Troske** has been appointed to serve as a member of the newly established Commission on Evidence-Based Policymaking, part of the executive branch of the federal government. Troske is associate dean for graduate programs and outreach at the University of Kentucky's Gatton College of Business and Economics.



Kenneth Troske

FOUNDATION FOR A HEALTHY KENTUCKY

■ Belfry attorney **Tim Hatfield** has been appointed to the Foundation for a Healthy Kentucky board of directors.

FRIEND FOR LIFE CANCER SUPPORT NETWORK

■ **Ben Ruley** has been elected to the board of directors for the Friend for Life Cancer Support Network in Louisville. Ruley is assistant vice president/managing director of planning and external affairs at Hosparous of Louisville.

KENTUCKY AGRICULTURE WATER QUALITY AUTHORITY

■ **Keith Rogers** has been appointed to the Kentucky Agriculture Water Quality Authority. Rogers, of Glendale, is the chief of staff for the Kentucky Department of Agriculture.

KENTUCKY BOARD OF ARCHITECTS

■ Louisville architect **Bradford P. Stengel** has been appointed to the Kentucky Board of Architects.

KENTUCKY STATE BOARD OF AUCTIONEERS

■ **Cliff-Ed Irvin**, a Lancaster realtor and auctioneer, has been appointed to the Kentucky State Board of Auctioneers.

KENTUCKY BOARD OF ELECTIONS

■ **Michael G. Adams** has been named to the Kentucky State Board of Elections. Adams, of Louisville, is an attorney with the law firm of Dinsmore & Shohl LLP.

KENTUCKY PERSONNEL BOARD

■ **Beverly H. Griffith** has been appointed to the Kentucky Personnel Board. Griffith, of Owensboro, is a retired corporate attorney.

KENTUCKY WATER RESOURCES BOARD

■ The following individuals have been appointed to the Kentucky Water Resources Board: **Stephen A. Coleman**, Frankfort; **Kevin Jeffries**, Crestwood; **Kevin Rogers**, Lexington; **Lloyd R. Cress Jr.**, Lexington; **Earl Bush**, Brooksville; and **John M. Dix**, Bowling Green.

LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD

■ **Ronnie Bastin** has been appointed to the Lexington-Fayette Urban County Airport Board. Bastin is commissioner of public safety for the Lexington-Fayette Urban County Government.

LOUISVILLE SPORTS COMMISSION

■ **Kelley Dearing-Smith** (Louisville Water Co.) and **Brett Hale** (YUM! Brands) have

been appointed to the board of directors of the Louisville Sports Commission. The commission has also announced its new officers for the year: Chair – **David Wombwell**; Vice Chair – **John Willmoth**; Secretary – **Casner Wheelock**; Treasurer – **David Bowling**; and **Wendy Wagoner** – Immediate Past Chair. The following individuals have been elected to serve a one-year term on the commission's executive committee: **Cleo Battle**, Louisville Convention & Visitors Bureau; **Derek Bland**, Houston-Johnson Inc.; **David Bowling**, Citizens Union Bank; **Jon Cooper**, Norton Audubon Hospital; **Stacie Grossfeld**, Orthopaedic Specialists PLLC; **Brett Hale**, YUM! Brands Inc.; **Mark Lynn**, Dr. Mark Lynn & Associates PLLC; **Mitchell Payne**, University of Louisville; **David Phillips**, Palladium Consulting; **Marty Storch**, Louisville Metro Parks; **William Summers V**, Republic Bank & Trust Co.; **Gary Ulmer**, Louisville Bats; **Lani VanderToll**, KentuckyOne Health; **Wendy Wagoner**, LG&E and KU Energy LLC; **Casner Wheelock**, Middleton Reutlinger; **John Willmoth**, Poplar Ventures; and **David Wombwell**, US Bank.

NATIONAL CENTER FOR STATE COURTS/ CONFERENCE OF CHIEF JUSTICES

■ Chief Justice of Kentucky **John D. Minton Jr.** has been elected chair of the National Center for State Courts board of directors. He has also been elected president of the Conference of Chief Justices.



John Minton

OLD FRIENDS

■ Old Friends, a Thoroughbred retirement facility in Georgetown, has elected **Jeffrey Burch**, **Mike Simon** and **Jill Baffert** to its board of directors. Burch is senior vice president of NTRA Advantage, the National Thoroughbred Racing Association's group-purchasing arm. Simon is editorial director of the Daily Racing Form. Baffert is a former journalist and prominent racing-industry figure.

OPPORTUNITY FOR WORK AND LEARNING (OWL INC.)

■ **Marilyn Clark** and **Wesley Holbrook** have been named to the board of directors of Opportunity for Work and Learning Inc. (OWL), a Central Kentucky organization that helps individuals overcome barriers to employment. Clark is manager of the economic development/supplier diversity office for the Fayette County Public Schools. Holbrook is an administrative officer with the Lexington-Fayette Urban County Government.

SOUTHERN STATES ENERGY BOARD

■ **Charles G. Snavelly** has been appointed to the Southern States Energy Board. Snavelly is secretary of the Kentucky Energy and Environment Cabinet.

UNIVERSITY OF KENTUCKY ALUMNI ASSOCIATION

■ The University of Kentucky Alumni Association has elected its officers for the 2016-2017 year: President – **Peggy S. Meszaros**; President-Elect – **Susan Van Buren Mustian**; Treasurer – **J. Fritz Skeen**; and Secretary – **Stan R. Key**.

LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Warren Beeler

Warren Beeler has served as executive director of the Governor's Office of Agricultural Policy since 2013 and has held various roles with the Kentucky Department of Agriculture since 1999. As a farmer himself – he and his wife, DeeDee, live on a 220-acre livestock farm in Caneyville – Beeler has a personal knowledge of the challenges farmers face. Since graduating from Western Kentucky University in 1977 with a degree in animal science, Beeler has been part of nearly two dozen agriculture organizations in Kentucky, received numerous ag-related awards and been inducted into the University of Kentucky Animal and Food Science Hall of Fame and the Kentucky Pork Producers Hall of Fame, among others. He is a regular speaker and presenter for many national agriculture groups and has judged livestock shows across the nation for 38 years.

TOBACCO'S LOSS HAS BEEN AGRICULTURE'S GAIN OVERALL

Kentucky has gotten a positive return from investing Master Settlement payments, says Ag Development Board Director Warren Beeler

BY MARK GREEN

Editor's note: The Kentucky Agricultural Development Fund is administered by the Kentucky Agricultural Development Board, whose mission under state law is to increase net farm income and affect tobacco farmers, tobacco-impacted communities and agriculture across the state by stimulating markets for Kentucky agricultural products.

Mark Green: The Agriculture Development Fund was created as a result of the 1998 Master Settlement Agreement between 46 state attorneys general and the Big Four tobacco companies, which agreed to make annual payments, in perpetuity, to the states to fund anti-smoking and public health campaigns. What led Kentucky to decide on and set up its Ag Development Fund?

Warren Beeler: We had some legislators who were really far-thinking kind of guys, who were agriculture people – primarily Roger Thomas, who was my predecessor in the position I'm in now. Paul Patton was governor at the time, and they were talking allotting 50 percent of the money to ag development because we were going to lose tobacco in time. At one point discussions came back at 5 percent, and because of Roger and a bunch of really good legislators, they decided to invest this money and split it between agriculture and health-

care. We were very fortunate that the people in place at the time had the notion that this was a good idea.

MG: The tobacco industry guaranteed a minimum of \$206 billion in payments to the states over the first 25 years. Was that an accurate number?

WB: Through 2016 total payments are \$113.3 billion. Here in Kentucky, the 2016 payment was about \$90 million, but there is money taken out of it. We have invested \$497 million in agriculture over the years. Legislators, over the years, have opted to take out \$24 million (annually) for debt service on rural water lines, sewer lines, and then split it 50/50, healthcare and agriculture. Then out of the agriculture side they take \$600,000 for the food banks, and \$5 million for the conservation districts, which is money for shared-use equipment being used by farmers, for animal removals, and for environmental stewardship. It's spent on agriculture. This leaves the fund with about \$26 million out of the original \$90 million in a normal year like this year.

Of that \$26 million, 35 percent goes to the counties, and that typically is farmer cost-share money or for local projects. County councils decide how that money is spent within the rules we set up here at

GOAP and the Ag Development Board. That leaves 65 percent going to the state fund for regional or statewide projects, projects for multiple farmers or multiple counties. Many times ADB projects will combine with county money – if the county has a great project, we'll combine county money and state money. So that's how our deal breaks down.

MG: Kentucky legislation prescribed 50 percent of settlement money be budgeted for agricultural programs and agricultural diversification, 25 percent for early childhood development, and 25 percent for public health. Is that still the case?

WB: That is still the plan, although \$24 million is taken out for debt service – we need water lines and sewer lines in rural Kentucky, so that's not a bad thing. And then the food bank money: If we can help farmers sell their seconds or their culls to the food bank, then I don't see that being a bad deal at all. And then the conservation districts are a truly valuable part of doing agriculture and doing it the right way. We have so many part-time farmers, and shared-use equipment is for them. I'm a part-time farmer, and I can't afford a round baler or a no-till seed drill so I rent that. Even though 50 percent of the money doesn't go directly to the GOAP and the Ag Development Board, agriculture gets its share.

MG: How much MSA money has gone to ag programs and diversification over the past 18 years?

WB: We know for a fact \$497 million, and then we just had a University of Kentucky study come back showing that of every dollar invested, \$2.03 has been generated. I think that's low, but we doubled our money. That's pretty good.

MG: How much money does the state receive annually now from the Master Settlement? Has this figure been consistent, or grown or decreased?

WB: They estimate in 2017 it will be \$90 million and \$92 million in 2018. It's better than many people thought it was going to be. Part of the advantage in Kentucky is that our cigarette tax is lower, and this Master Settlement Agreement is all based on cigarette sales. Folks from states around us that have higher cigarette taxes come across the state line and buy, and that money does end up in this pot.

MG: It was a goal to diversify Kentucky away from tobacco, and this has occurred. How has tobacco's share of state agribusiness changed?

WB: Roger Thomas and I just examined this. In 1998, there were 46,850 tobacco

farmers in Kentucky – all of us had two acres, and all of us made our farm payment and our Christmas, and it was the best deal in the world. Now we have 4,537 farmers raising tobacco. In terms of the value of tobacco, in 1998 it was \$924 million and now it's \$429 million. And interestingly, since this MSA money has shown up, Kentucky farm gate cash receipts were \$3.7 billion in 1998 and have nearly doubled now to \$6.5 billion. I don't think that's a coincidence.

MG: So tobacco dropped from being one-fourth of all Kentucky farm gate receipts to about 6 or 7 percent?

WB: Yes. That's amazing.

MG: What philosophy guides Agriculture Development Board decision-making in allotting money for ag development and diversification investments?

WB: Everything is measured basically on farm impact, agribusiness impact, rural community impact. We've got a great bunch of farmers and bankers and leaders on our Ag Development Board who make tough decisions. When you've got money, there are lots of projects. In the end, the issue that really weighs heavy is farm impact – on how many farmers. We have made so much progress. Livestock are better. We're doing a better job of producing more with less. Environmental stewardship has never been as good. We work on water quality plans. The whole process of doing agriculture and doing it better is what this money was intended for. We realize that it's not just for this year; it's next year, it's keeping soil healthy, managing soil in a progressing manner as you take off a tremendous yield. That's a huge deal.

MG: Studies identify a positive return on investment in ADF projects. What is the latest information?

WB: This past year there was an ROI of \$2.03 for every dollar invested. Here at the GOAP, we think that it is seed money for investment. For example, years ago I built an \$8,000 hay barn because I got \$2,000; I would have never spent that \$6,000 difference without the seed money. We've built facilities to get our cattle numbers up. I was in Rockcastle County the other night where 167 hay barns have built with ADF support. We've got 600 cows being synchronized in Anderson County where they get artificial insemination, and those AI calves, they said, were 72 pounds heavier than natural service calves. For every herd in Kentucky – 26 or 28 is our average size – that's \$6,300. We're making an investment in agriculture that pays back. So \$2.03 (on the dollar) seems a little low, but any time you double your money, I'd say you've done all right.

MG: What is the application and vetting process for investments?

WB: Because our counties run a County Agriculture Investment Program, which is what our county cost-share money is for, applicants fill out a CAIP score sheet, and if they score 44 or higher, then they become eligible. Every application has to go through the (state) Ag Development Board, even projects that a county says is a 'no fund,' that just doesn't fit their criteria, still have to come to us and be voted on. The county puts in its recommendation, and then people come directly to us to make application. We do not make recommendations. At GOAP, as administrators our job is not to decide who gets the money; we get them prepared to go in front of, first, the committee at the Ag Development Board, where an application can be kicked back and can be voted on again later. If approved, then it goes in front of the full board and is voted on.

MG: What is the County Agricultural Investment Program? Was that also a direct result of the Master Settlement?

WB: When MSA money first came out, we had to have a county entity run the programs. The only county entities we had were cattlemen's associations, so the cattle folks handled a lot of the money. To level the playing field, we have CAIP, and now we have 45 conservation districts and we have farm bureaus administer the program. The extension agent is vital to this process and serves as a consultant but can't be the administrator. CAIP came about so we could offer all the programs.

MG: Is CAIP a state-level program or based in all the counties?

WB: It's a state program that is administered by the counties. We make the rules here for all the tobacco money. A CAIP project passed by a county then has to come through our board and be approved before they get the money. A county can decide it doesn't want to do CAIP one year. One year, a county used its money as matching funds to build a livestock arena and farmer's market. They don't have to, but most do a CAIP because it's been so beneficial to the individual farmer.

MG: What is the composition of the Ag Development Board?

WB: There are 16 members including the governor. There's a banker and a lawyer, but they're both also agriculture people. Almost everybody else on the board are farmers. We have two women and the rest men. The governor chairs the board, but typically the commissioner of agriculture serves as the active chairman. Don

Goodin (director of the Office of Financial Services in the Cabinet for Economic Development) sits in for the secretary of economic development. Gov. Matt Bevin did attend the first meeting after he started, but he's so busy, so Commissioner Ryan Quarles does it. The members are all agriculture people.

MG: What are some of the On-Farm Energy Efficiency and Production practices the fund has invested in that are proving successful?

WB: We have \$500,000 that we plug in to what we call the energy program. They have a score sheet as well, and they have to have a third party on it, typically University of Kentucky people. The quicker it pays back, the higher you score. Kentucky has so many chicken barns now, and probably the poultry people have taken advantage of (On-Farm Energy Efficiency funds) the most. As the evolution of these buildings continues, they get better and better. They're taking off the curtains; they're putting on metal; they're changing the vents; they're putting in foam insulation, insulating the building. I was in a dairy barn recently where the farmer put (low-speed, high-volume Big Ass) fans in instead of the box fans; it saved him \$2,000 a month. They are eligible for \$10,000 a year in cost share, which they have to match, and up to \$25,000 in a lifetime.

MG: Can you explain some of the special loan programs that have been created for use of MSA funds?

WB: Maybe the most versatile money we have is the \$60 million now that has been moved over to the Agriculture Finance Corp. Half the money in that program is loaned out to help young farmers buy land. They tell us 75 percent of these transactions wouldn't have been made without us. We provide the lender with 2 percent money, and the lender gets three-quarters of a percent. So it's 2.75 percent money to the borrower toward their loan. The lower interest rate takes pressure off the lender; we take the interest rate off the farmer.

One of the big things is getting the farm from one generation to the next. We did shares for a young farmer buying into the farm. We have such flexibility. There's \$60 million in that now. If this (MSA) money ever runs out, that money will be here. Off that 2 percent principal, we get in about \$500,000 a month to re-loan. We've loaned \$2.3 million or \$2.4 million each month for the last three months, so we're loaning it faster than it's coming in. But it's really a terrific program that has the flexibility to help individual farmers.

MG: What have been some of the most significant ADF investments over the years, in dollar and/or in impact terms?

WB: The biggest and most successful is the ethanol plant in Hopkinsville. It ended up being partially loan, partially grant. Four thousand farmers now sell their grain to the Hopkinsville Elevator Co-op. Last year they sold their grain and then additionally got back a dividend from the ethanol sales of 78 cents a bushel. If you're selling \$3.50 (a bushel) corn, you're just spinning your wheels (financially); you're trading dollars. But the 78 cents is profit. That's probably one of the most successful deals. Other significant impacts come from what they call the Big Four:

- The Kentucky Beef Network has education and facilitators to improve cattle genetically and nutritionally, the whole package.

- The Kentucky Dairy Development Council supports an industry that went from 2,200 dairies down to 645, but we're still producing about a billion pounds of milk a year. We support their MILK program (Market Incentive Leadership of Kentucky), where processors (get incentives) to increase production by 10 percent, but had to maintain quality levels. It's been great.

- We've worked with the Kentucky Horticulture Council in terms of cost-share programs.

- And then look at Kentucky Proud: 86 percent of the people in Louisville and Jefferson County recognize Kentucky Proud as the brand for agricultural products in our state. We've got lots of success stories.

MG: Have Kentucky farmers enhanced their business management skills as a result of the ADF investment program?

WB: The MILK program guys have to be in DHIA (the Dairy Herd Improvement Association management records system). In this day, if you're going to farm, you better have those skills or you'll dig a big hole in a hurry. It has been a natural progression as agriculture has changed to keep the books in order and know where we are. Managing risk is such a big part of this deal: How do you contract ahead? Contract farming is used by all the poultry barns and a lot of the hog barns. There is contract heifer growing, feeder cattle growing. You don't have to cash flow the whole thing; you don't have to worry about the market. You're furnishing the buildings and the labor, and you get paid whether market prices are high or low. That has really limited risk. We've been a big part of the growth of contract farming in Kentucky.

MG: In mid-July, the Ag Development Board awarded the UK College of Agriculture, Food and Environment a \$15 million grant for its Research and Education Station in Princeton, Ky. How unique is this, and how did it come about?

WB: It's the biggest project that's ever come through the Ag Development Board by a long shot and had been in the works for years. It initially wasn't driven by UK; it was driven by the corn growers and the soybean association and those forward-thinking folks who knew that if we were going to keep pace, we had to have research on Kentucky ground, on what we do. A guy told me the other day that if we could just fix the fragipan (an impermeable soil layer in the U.S. Midwest) in Western Kentucky, we'd increase grain yields by 25 percent, and Dr. Lloyd Murdock at UK is in the middle of research with ryegrass (whose roots, with certain chemicals, might break up fragipan). This deal is a huge investment. It's one of those that will pay back for the next 50 years, both in grain and in forage production – we're such a big livestock state and forage is a huge part of that. It's a different project for us, but we're proud for the state that the legislators would see the opportunity for that extra money to do something to build a unit that'll pay off for the rest of my lifetime and way beyond that.

MG: A 2014 *New York Times* article reported many states mismanaged their MSA money, even equating it to the bad decision-making common among lottery winners. How unique was Kentucky's use of settlement proceeds?

WB: Roger Thomas and I spoke at the Southern Legislative Conference (in Lexington in July) about this because it is so unique that we took our money and invested it. Before I went to work for Gov. Bevin, when I was interviewing, I said, "Governor, if you're going to take this tobacco money and put it on the pensions or put it on the General Fund, I really don't want this job." He looked me right in the eye and said, "Well, why would I take the only money in Frankfort that's making money?" And he's left it alone. We've had four governors now who've left it alone, a whole set of legislators left it alone. It has done so much statewide. Every investment we've made has not been totally successful, but with every investment we've made we have learned something about what we can do, what we can't do and, particularly, how we can do it. What we already do well, we do better. Compared to everybody else – and every state I go to, I ask – Kentucky is really, really ahead of the game. We've gone from \$3.7 billion to \$6.5 billion since the money showed up; we take part of the credit for that.

MG: Is there an area of agribusiness development or entrepreneurship that you would like to see more thoroughly explored by ADF investment?

WB: The local food movement is on fire, and that's a different segment of agriculture. People are starting to learn the difference between eating out of a can and eating out of a garden. Local food is about so many small farmers – we've built 160 farmer's markets in the state now; we've been involved in most of those – and what we would like to see is "middle processing infrastructure." We've got a consumer used to buying food and sticking it in the microwave. We've got to get raw product processed to a level that's acceptable to this new consumer. We don't need pot roast; many people don't know what a roast is. We need to be able to provide cooked, sliced roast beef ready to put between two pieces of bread to this local food person. The closer you get it to the mouth, the more valuable it is. We need networking, we need distribution, we need lots of things to help local food.

MG: Do you have a closing statement?

WB: I feel blessed. The more I travel, the more I see how fortunate we've been in Kentucky and that this money has really made a difference. Al Cross said to me the other day, "Beeler, your money's gone stale. You need to take some new chances." He's correct in a lot of ways. We need to make sure this money stays new, that it is seed money for investment.

But we have taken chances. We're doing projects with chia, the seeds that cereal companies want. We've got a project with goldenrods, which produce natural flavors. Sumac, which we've been trying to kill forever, is full of tannins and used in all kinds of diet foods and stuff. That fits this new consumer. We did a two-acre greenhouse the other day in Ashland that will produce lettuce in 22 days, two semi loads a day, no bugs, no weeds. That's where we're headed. Of course the biggie is hemp, and that's really hot. We had 22 counties invest their county money, and we matched it with state money – half a million dollars for a \$2.4 million processor.

So our job is to keep our eyes open and realize that agriculture is changing every day, and we're blessed to have this money to help that process. ■



Mark Green is executive editor of The Lane Report. He can be reached at markgreen@lanereport.com.

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Banks are actively lending again to Kentucky Thoroughbred operations after having dramatically curtailed their exposure in 2009 and 2010. Average sales prices for Kentucky Thoroughbreds are now up nearly 20 percent since 2005, which was before a market cycle peak in 2007 and major financial recession that struck in 2008. Pictured is a 2-year-old colt selling for \$1 million during the September 2015 Keeneland sale.

we are actively lending in the Thoroughbred space.”

That may be surprising to those who remember when in 2010 banks were making headlines for pulling out of the equine business entirely. Collectively, banks were lending the Thoroughbred industry less than half what they had three years earlier.

Ted Berge has been lending money to horse farms for 25 years, the last eight of them at Chase Bank in Lexington. The Kentucky native has seen the industry's ups and downs firsthand – including the Great Recession.



Ted Berge,
Senior Banker,
Chase Equine
Financial
Services

In 2008-09, lending to the Thoroughbred sector plunged from about \$1 billion to less than \$400 million. It was painful for banks and breeders alike.

“Banks try to react to growth in industries and opportunities, and unfortunately sometimes the result is they buy high and sell low, so to speak,” Berge said. “Banks got into Thoroughbred lending when times were good, and as the value of horses dropped, it made it tough for people to stay in it.”

As banks left, Chase was among the banks that picked up their clients and actually grew its portfolio “pretty considerably” during those lean years, Berge said.

“One of the advantages of being in the business for a long time is that Chase didn’t drop into the industry when it was super great, so when things dropped, our clients were able to withstand it,” he said.

Chase has remained successful in Thoroughbred lending by ensuring careful client selection, Berge said. The bank looks for operations that are well-managed, have a history of profitability and thoughtful and achievable business plans.

Most of Berge’s clients are established large commercial breeders or stallion farms that have strong reputations and plenty of capital to weather the ups and downs in the market. There are some smaller clients in Chase’s portfolio as well. Some are owner breeders, driven by a desire to accumulate assets – in this case, more valuable horses – than to turn a profit.

“When we underwrite those clients, we look at other sources of repayment,”

Thoroughbreds Back in Bankers’ Good Graces

Lenders are more conservative, but foal crop is stable and Kentucky stallions are in demand

BY KATHERAN WASSON

ASK anyone who lives and breathes horses how things are going these days, and they’ll tell you they feel roughly the same way: cautiously optimistic. Signs of a rebound – or at least, stabilization – since the Great Recession are starting to appear, especially at the high end of the market.

“The foal crop (size) has stabilized, auction numbers have improved considerably, and supply and demand seem to be in equilibrium this year,” said Tim Capps, director of the equine business program at the University of Louisville. “The equine industry in Kentucky definitely took a hit in every way imaginable,

but if you look across the board at all breeds and disciplines, it’s stabilized and is starting to show some growth.”

That also includes lending to Thoroughbred breeders and owners.

Thriving in a niche

“PBI Bank has a positive outlook and a positive opinion of the Thoroughbred industry and is looking to grow its equine lending portfolio,” said Peter Costich, who specializes in equine lending for the bank. “As a bank,



Tim Capps,
Equine
Business
Program
Director,
University
of Louisville

Berge said, adding that such careful work on the front end has allowed Chase continued success and continued portfolio growth.

"This is a boutique sort of lending. We are the only (geographic) market in Chase Commercial that does this, because we realize how important this is to the local economy. It's been a good business for us, so they let us continue to do this despite the occasional unique aspects of it."

Costich, of PBI Bank, has been in equine lending since 2006. He previously worked at Fifth Third Bank until 2015, when he joined PBI.

"Fifth Third definitely contracted its business as the overall industry contracted," he said. "PBI got into equine lending in 2011 when PNC bought National City and started exiting the equine lending business. PBI started picking up some of those clients."

National City had been the second largest equine lender.

Costich's clients today "run the gamut from small mom-and-pop operations to some of the largest horse farms around." Like Berge, he said PBI's underwriters carefully consider the underlying financial condition of the operation, its past performance and available collateral. It's not unlike lending to other types of business, Costich said.



Keeneland/TeamCoyle photo

"The overall fundamentals of lending haven't changed, but since the recession the banking industry is more conservative across the board; that's not exclusive to equine," he said. "But the one way that we have an advantage is that it is a relatively small industry, and you do tend to know who all the players are, whether through business or reputation."

The cycle repeats

This isn't the first time equine lending has contracted and slowly rebounded in Kentucky, Capps said.

The Thoroughbred foal crop size is down 32 percent since 2007, but Kentucky's share of the crop has increase from 28.6 percent to 36.4 percent.

"Back in the '80s, the Thoroughbred industry was blowing up," Capps said. "A lot of banks got into equine lending because their existing clients wanted it, but they didn't do much due diligence."

At the time, banks were offering 100 percent financing to some folks – no collateral required.

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EQUINE FINANCIAL SERVICES

American Pharoah's 2015 Triple Crown is credited with increasing interest in horseracing, which in 2015 saw betting top \$1 billion for the first time since 2006. Kentucky's 248 stud stallions cover more than half of U.S. broodmares.

"They knew them and trusted them, but then when the industry went through a downturn, banks realized it wasn't the best thing to do," Capps said. "There were several fairly significant defaults, and the banks learned that horseracing is a business like any other. It may be glamorous and cool, but at the end of the day, the client may come back and say, 'I can't pay my bill.'"

Banks eased back into equine lending in the 1990s and early 2000s, Capps said, and this time around they paid more attention to collateral and appraisals. Just before the recession, banks were lending about half a horse's appraised value.

But the recession cut demand – people just weren't buying as many horses, and so they weren't borrowing as much, either.

"Many banks in the area still have equine lending officers so they can offer that service to their clients," Capps said. "The difference is that now we don't see many banks waving a flag and saying, 'Call us for your next horse loan.'"

Other signs of recovery

"It's been interesting to watch it play out," Capps said. "The industry has been through cycles over the years – a big boom and then it would settle back – but this is the first time since the 1930s that the recession was driven by the economy at large."

Capps, a self-proclaimed numbers guy, said economists can point to several statistics to support the Thoroughbred industry's stabilization in recent years.

The first year of the recession, 2007, started a series of declines in both gross yearling sales and average sales price. The trend continued until 2011, and both figures have been on the upswing since, according to statistics from The Jockey Club. Gross yearling sales in 2015 reached \$437 million, still about \$100 million shy of pre-recession levels.

Average sales price hit \$66,000 in 2015, a full \$10,000 more than in 2005, emphasizing faster recovery at the high end of the Thoroughbred market.

Additionally, racing appears to be stabilizing, Capps said. Kentucky saw a gradual decline in the number of Thoroughbred races over the decade that followed the start of the recession. (The lone exception was 2011, which saw a slight uptick.) In 2015, the number of races increased once more to 1,823.

Last year, betting eclipsed \$1 billion for the first time since 2006, and nearly 400,000 spectators attended the Ken-



Keeneland/TeamCoyle photo

tucky Derby, Kentucky Oaks and the Breeders' Cup at Keeneland.

And then there's the foal crop. Since a pre-recession high of 10,514 foals in 2007, Kentucky saw declines for five consecutive years to a low of 7,137. Since 2013, the state's foal crop has started ticking slightly upward.

Perhaps even more interesting is Kentucky's share of the national foal crop. Although the number of Kentucky foals declined significantly from 2005 to 2014, in that same time span, Kentucky grew from producing 28.6 percent of the national foal crop to 36.4 percent.

Next in the rankings is Florida, with just over 10 percent.

"It's an interesting story because macroeconomically, when you look at downturns, the strong end up not only surviving, but gaining market share," Capps said. "The Thoroughbred industry in Kentucky has tightened up, but at the same time, Kentucky has gained market share nationally in terms of foal crop."

Other signs are more qualitative. Capps has noticed broader media coverage for horseracing in general – no longer is it limited to trade journals and local publications.

"On the racing side, we've seen more public interest in the sport driven by the Triple Crown win," Capps said. "Major FEI (Fédération Equestre Internationale) events are now covered on TV, which was unheard of four or five years ago."

In part, Capps attributes this rebound to the fact that Kentucky's interest in horses never waned. Although many in the industry took a step back, they didn't call it quits.

"People said, 'We can't keep doing this at the same level,'" Capps said. "In a

sense, it really mirrored the broader economy – luxury goods are the first to go when things tighten up."

Kentucky stallions take center stage

Another sign that things are improving: Kentucky's stallions are leading the pack.

Chauncey Morris, executive director of the Kentucky Thoroughbred Association, said the 248 stallions that stand in Kentucky cover half the broodmares in the United States.

"That means half of the mares in the nation are coming here to Kentucky to be bred, and that is something that has never been that high before," Morris said. "That's really quite big, and it tells us that the most profitable place to stand a stallion is here in Kentucky."

Morris attributes that to this: If money is tighter, but you still want to indulge your horse habit, you're going to choose the best place to do it. And that's Kentucky.

"We have the best equine veterinarians in the world right here in Lexington, and everyone from the groom to the farm manager is at the top of their field," Morris said. "It's really important for us not to lose sight that this is something we do better than everyone else. The rest of the world looks to Kentucky as that which defines excellence in the sport, and we need to do everything we can to maintain that." ■



Chauncey Morris, Executive Director, Kentucky Thoroughbred Association

Katheran Wasson is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.



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Bluegrass Stockyards' Big Leap Forward

Kentucky cattle industry's biggest player is rising from the ashes into a world Big Data is rebuilding

BY ROBBIE CLARK

LIKE an old rusted horse trough, the stereotypical image of today's farmers and agricultural producers doesn't hold much water. These days, you're as likely to see a farmer in the middle of his field with a smartphone as with a pickup truck. (And, no, he's not looking for Pokemon.)

As mobile technology has gotten smaller, more powerful and more sophisticated, agriculture producers are turning to data – collected from their operations and perhaps from other operations also sharing their real-time data – to maximize their output by increasing production and efficiency.

And the numbers are telling. The American Farm Bureau Federation estimates over 60 percent of U.S. farmers use some form of data analytics for greater precision in their fields. The

payoff: Farmers also report an average 15 percent drop in input costs – for items such as seed, fertilizer, pest control and crop protection products – and a 13 percent increase in crop yields.

Farmers today, according to Kentucky Agriculture Commissioner Ryan Quarles, don't have to be computer programmers, but they can't afford to turn their backs on computerized tech innovations.

"Farmers have to be many things. They have to be mechanics, agronomists, veterinarians. And today, the successful farmer needs to be computer literate," Quarles said. "There's really no substitute for it. And the best farmers are the ones who are early to adopt new technologies by experimenting with it."



Ryan Quarles, Agriculture Commissioner, Commonwealth of Kentucky

A new \$12 million Blue Grass Regional Stockyards facility is being planned for the intersection of Iron Works Pike and I-75 north of Lexington and will incorporate ever increasing levels of digital monitoring and data gathering. The former Lexington facility handled \$200 million in livestock sales in 2015.

Kentucky typically is a conservative, let-others-invent-the-wheel place, but state agribusiness has been not only an early adopter of farm technology but an innovator.

In the cattle industry, Blue Grass Stockyards, a collection of seven livestock marketing facilities in Central Kentucky, helped pioneer the leading software for auctions in North America.

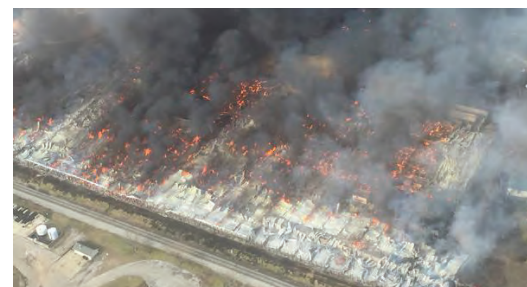
"The software that we operate is the leading software package for auction markets in Canada and the U.S.," said Jim Akers, the chief operating officer for Blue Grass Stockyards. "We were part of the development of that software back 15 years ago. We actually worked with the software developers to create a Windows-based software. Everything before that was either DOS- or Linux-based."



Jim Akers, Chief Operating Officer, Blue Grass Stockyards

Kentucky's significant livestock-production sector was stunned last January when a fire destroyed Blue Grass Stockyards' main facility in Lexington. However, the company quickly announced plans for new, even better central marketing operation, which is being built north of the city on Interstate 75 at Iron Works Pike very near the Kentucky Horse Park.

While the company had not reached a final agreement with Lexington-Fayette government officials regarding the project as of early August, the proposed new \$12 million facility will be easier for cattle producers to access than the previous site. As Lexington grew, the stockyards had gone from being on the rural edge of town in the 1940s to deep inside the state's second most populated urban area. It will be eas-



A fire in January 2016 destroyed a seven-acre Blue Grass Stockyards complex that dated to the 1940s. On the western outskirts of town when built, Lexington had grown up around it over the decades so that farmers had to transport animals into a residential and industrial neighborhood to market.

ier to visit digitally, too, which means Lexington should maintain its position as the nation's third largest cattle sale site.

Computerized tractors and chicken coops

New technologies allowing for more sophisticated ways to collect and analyze data are rife in the agriculture sector. Quarles said this is best illustrated by looking at the makeup of vendors at the National Farm Machinery Show, one of the premiere farm shows in the world, which is held annually in Louisville.

Today's machines, often costing \$250,000 and up, are driving farmers' adoption of Big Data analytics because they increase profits.

"More and more vendors are pushing software," Quarles said.

Software that can do what? Well, basically, just about anything. If you want to do something, there's an app for that, as the not-so-old saying goes.

Driverless tractors (yes, they are already doing that – take that, Google self-driving car) guided by GPS can negotiate a field within an inch of error, dropping specific seeds in their intended locations with pinpoint accuracy and efficiency. UAVs (unmanned aerial vehicles, or drones) can give farmers a detailed view of their land. Chicken coops and barns can be administered with iPhones. An operation's irrigation system can be managed from laptop computers on wireless networks.

But the real magic is happening with data collection and then its analysis. Sensors on planting equipment record crucial information about soil composition, not by the square acre, but by the square meter. Software can then determine which hybrid variations of a plant will perform best in a given field and apply the most effective amount of fertilizer as it grows.

On the flip side, sensors on harvesting equipment can paint a meticulous portrait of what is coming out of the ground – numbers that formerly had to be laboriously recorded with paper and pencil.

The artificial intelligence farmhand?

The primary discussion Big Data is generating in the ag world right now is not what kind of data is available, but where is it going to go? A detailed analysis of a single acre of farmland can create gigabytes worth of data. Data shared on a "cloud" and compared and aggregated with other farm operations will lead to even richer farming best practices, but some ag producers worry how secure their data will be.

The next technological step in agriculture, Quarles thinks, will be software and equipment that can integrate and inter-

pret all of the different points of data that come in and then make suggestions – like an artificial intelligence farmhand.

"I believe that the technology that's on the forefront will be something that connects what have previously been independent systems. There used to be an independent system for one tractor set-up – let's say for a corn planter – and another system that would monitor rainfall and irrigation applications. I think what we'll see is the emergence

of technology that can combine all these together and actually help suggest management techniques."

Interestingly, Quarles says that the agribusiness sector will embrace a new technology before it has widespread commercial appeal. Such is the case with GPS. Farmers were using GPS in the mid-'90s, which was many years prior to its omnipresence in automobiles and smartphones. Further, Quarles says that agriculture in Kentucky has a

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An example of modern farm equipment technology is the John Deere R4040i self-propelled sprayer with precision GPS guidance and automatic application adjustment and documentation.

history of developing and inventing technology that eventually gets adopted by the farming community as a whole.

“Planting techniques such as no-till corn was invented in Kentucky, and lots of conservation measures were invented in Kentucky,” he said.

Tech-savvy Blue Grass Stockyards handles a large amount of information on behalf of its customers – about 45,000 farmers. That number in itself poses challenges, but the software manages many other metrics: herd sizes, weights, sex, vaccinations, diets and more. “Organic,” “natural” and other premium meat programs are another layer of data that has to be analyzed to help farmers get the most out of their draft.

The software also ensures that each auction runs smoothly and quickly.

“It’s very computerized. Twenty years ago, if we had a run of 2,500 cattle in a given day – a normal day – you would be

looking to start selling at 8:30 in the morning, and you’d be lucky to be done by midnight, or, many times, later,” Akers said. “In today’s environment, for 2,500 to 3,000 head, it’s rare for us to be here past 6 in the evening. And that’s all just because of the efficiencies built into the system.”

Blue Grass Stockyards upgrading

These efficiencies have led to greater profitability for Blue Grass Stockyards and the farmers they represent, and have helped bolster the Kentucky cattle industry. In terms of numbers, Kentucky has more cattle than any other state east of the Mississippi River, and it ranks eighth nationally. So many cattle come through the Lexington facility, Akers says, it has been the third largest market in the nation for many years.

There are just over 40 auction markets in Kentucky, and the seven facilities of Blue Grass Stockyards have about a 50 percent market share of cattle sold in auction in Kentucky, according to Akers. Combined, the seven facilities sell nearly three-quarters of a billion dollars worth of cattle annually for their

farmers; before fire ignited from a roofing worker’s torch destroyed it, the Lexington facility alone sold over \$200 million worth of cattle last year.

While the new Lexington facility will be fitted with a number of new unique technologies, Akers says the organization is also taking this opportunity to completely overhaul their website, which will provide a suite of data points and work in real-time with the auction operations.

“We’re inventing things that will be available to customers that will all be tied into our website,” he said. “Even to the point where, say, if you’re a farmer sitting at the kitchen table in Bardstown and decide you’re going to take a load of cattle to the stockyard in Lexington, that farmer will be able to get on his smart phone, go to an app, and see how long the line is to unload.”

At the new Lexington facility, Akers says a thoughtful layout and new system of automated gates will streamline the sales process even more, and farmers will be able to track the location of their cattle within the facility from the moment they leave the truck to the time they enter the sales ring. A new education center for students to learn more about the cattle industry will be built on site, as well as an apparatus that can accommodate truckloads of cattle (and their drivers) overnight as they travel across the country.

“It’s a big leap for a company of our size, and a huge investment. We’re venturing out into a lot of unknowns, and we’re inventing a lot of the technology that’s going out there,” he said. ■



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Robbie Clark is a correspondent for The Lane Report. He can be reached at editorial@lanereport.com.



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Turning a Passion into a Profession

Deep equine industry expertise is formalized into degree programs across the Horse Capital of the World

BY KATHERAN WASSON

KENTUCKY'S colleges and universities offer degrees in just about anything you can think of – but none are more quintessentially Kentucky than equine studies.

Many of Kentucky's equine education programs take a classic approach to the subject, with large university farms, plenty of riding and lots of hands-on activities. Students learn about caring for horses, breeding and training in their pursuit of a bachelor's degree in equine studies.

Their university barns are full of horses – some brought from home by students themselves – and their students have a wide range of special-interest clubs and riding teams to keep them active outside the classroom.

Several of the broad-based programs got their start in the 1970s, including Morehead State, Midway, Murray State and Western Kentucky University. At 10 years old, the University of Kentucky's equine degree program is still relatively young, but as a land-grant institution with a strong focus on agriculture, UK

Murray State University has a bachelor's degree program in animal/equine science taught in facilities that include barns, a lighted outdoor riding arena, an outdoor dressage arena, turnout lots, a wash rack and round pens.

already has the biggest farms and largest research facilities by far.

These universities stress the hands-on experience their students get on campus.

"The students can work directly with the horses, help the veterinarians with vet procedures, travel to horse shows and work with faculty on research projects," said Sara Malone, an agriculture professor who oversees the program at Morehead State.

Students are required to work on the farm, Malone said, and some even live there. Morehead offers a dorm at the Derrickson Agricultural Complex, and the university is just completing a second new student housing unit at the farm.

Midway University's equine students enjoy a large farm, too – in fact, in terms of acreage, most of the campus is farmland.

"Our students, from their first semester, are in the barns, helping with horse care," said Janice Holland, program coordinator. "The majority of our equine-specific courses also have assignments directly related to horse care and management."

At Murray, undergraduates get significant opportunities to research, said Shea Porr.

"I work with undergraduate students on research projects, sometimes for their honor's thesis and other times because they want more experience to help them get a foot in the door for graduate school," Porr said. "Students work through a project and often end up presenting at a national or international conference and sometimes end up with publication."

At Western Kentucky University, students benefit from an exposition center that includes a sales arena, a large classroom and a meeting room.

"This facility has made it possible for the riding team to practice as well as host competitions, for classes to meet for lec-



Sara Malone, Agriculture Professor, Morehead State University



Janice Holland, Associate Professor of Equine Studies, Midway University



Shea Porr, Associate Professor of Equine Science, Murray State University

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COVER STORY

Asbury University has a bachelor's program in equine management and 341 acres of pasture, trails, round pens, two barns and an indoor riding arena.

ture followed by experiential learning, and for the support of the equine industry and local economy by bringing in both equine and other livestock events," said Linda Brown, chair of the Department of Agriculture in WKU's Ogden College of Science and Engineering.

As a land-grant university, UK's students benefit from more than 50 agriculture faculty and the additional resource of county extension agents throughout the state.

"We have really deep, meaningful research happening here," said Holly Wiemers, communications and managing director for UK's ag equine programs. "Horses are what make Kentucky uniquely Kentucky – this really is the epicenter of the entire industry, and that's what makes this program so strong."

Schools with a niche

Other universities are filling niches for students looking for something specific.

Take Asbury University, for instance. Students at the private Christian college in Wilmore spend plenty of time riding and learning about horses and earn a



Linda Brown, Department of Agriculture Chair, Western Kentucky University



Holly Wiemers, Communications Director, University of Kentucky Agriculture Equine Program



bachelor's degree in the process. But the real focus is on service and ministry, said Harold Rainwater, who oversees the program and also serves as the city's mayor.

"It's all about God, people and horses in one place," Rainwater said.

He says his students' "ultimate service" is training police mounts for departments across the country. In just the last few weeks, officers from Grand Rapids, Mich., and Las Vegas visited Wilmore to pick up horses trained by Asbury students. Training takes years, and Rainwater said police departments "accept our students as professionals" and travel from as far as San Francisco and Miami.

Bluegrass Community and Technical College is home to the North American Racing Academy, founded in 2006 by Hall of Fame jockey Chris McCarron under the guidance of the Kentucky Community and Technical College System. NARA is the first and only accredited community-college-based racing school in the United States and offers both two-year associate's degrees and one-year certificate programs.

"While our roots were in providing a foundation for students interested in becoming professional jockeys, today, NARA has successfully transformed itself into an overall equine industry workforce academy," said Dixie Hayes, program coordinator and lead instructor.

Because NARA is the U.S. representative for the International Federation of Horse Racing Academies, BCTC graduates have the opportunity to be

placed in internships around the world. Recent graduates have been placed in Ireland, Abu Dhabi, France and Australia, Hayes said.

Eastern Kentucky University offers an interdisciplinary minor in therapeutic horseback riding through its occupational therapy department. What started as a single class a decade ago grew into an 18-hour minor four years ago. Now it's so popular the original class is overfull, said Kathy Splinter-Watkins, an associate professor who started the program.

The university doesn't have on-site equine facilities, such as a barn, so the program is heavy with field trips and guest speakers. Students also volunteer with Central Kentucky Riding for Hope, which provides therapeutic horsemanship for those with special needs.

Georgetown College doesn't offer an equine degree, but instead a unique four-year program that finds the equine angle of any of the college's 40-plus majors.

"Georgetown developed the Equine Scholars Program in the early 2000s, seeking to create a program that allowed students to pursue academics of their choice while preparing them for successful careers within the equine industry," said Chelsey Reid, the program's coordinator.



Dixie Hayes, Program Coordinator, North American Racing Academy, KCTCS



Kathy Splinter-Watkins, Associate Professor, Eastern Kentucky University



The University of Kentucky bachelor's degree in equine science and management includes concentrations in business, community leadership and development, and forage/pasture management in addition to equine science. UK has a 100-acre horse unit with more than 25 pastures and paddocks on its Newtown Pike farm north of Lexington and research programs at Spindletop Farm and a farm in Woodford County.

Through the program, about 35 students per year learn how their skills and interests in the classroom connect to a career in the horse industry. This is accomplished through select tours, a guest lecturer series and targeted industry internships. Students who complete the program earn an Equine Distinction certificate from the college.



*Chelsey Reid,
Equine
Scholars
Program
Director,
Georgetown
College*

Business-based at UofL

Unlike programs that focus on equitation or care of horses, the University of Louisville's equine degree is strictly business.

"What makes Louisville's equine program unique is that it's the only program of its type, literally, in the world," said Tim Capps, the director. "It was housed within the business school intentionally, by a legislative act in 1987."

The program seeks to teach students how the horse business works, from racing to pharmaceuticals to hay, Capps said. Most students "caught the horse disease at a very early age, and they're thinking about whether it's possible to make a career out of it," he said. "We expose them to just about everything that's out there and let them figure out if it's something they're going to do for a living, or if it's going to stay a hobby."

And it's a win-win, Capps said. Even if graduates decide the horse business isn't for them, they've earned a degree in business that can apply to any other field.



*Tim Capps,
Equine
Industry
Program
Director,
University
of Louisville
College of
Business*



Women take the lead

Representatives of several of Kentucky's equine programs mentioned a similar trend: The majority of their students are women. None could put their finger on why, exactly, but the numbers don't lie.

For example, Asbury's equine program is made up of 115 women and only 10 men.

Capps estimated UofL's program is 75-80 percent women, and although Wiemers didn't have figures offhand, she confirmed that UK's equine program also skews female.

"We hear a lot anecdotally that they're seeing the same thing in vet schools right now, and the numbers show that universities in general are starting to see more women enrolled than men," she said. "UK's program has been predominately female since we launched it."

Why Kentucky?

Kentucky's equine programs draw students from all over the country – and the world. And why not? This is the hub of the horse industry, ripe with opportunities for field trips, internships and jobs after graduation.

"There is only one 'Horse Capital Of The World,' and there is literally something going on every single day in the

The equine studies program at Murray State includes a course in equine exercise physiology.

horse industry if you want to connect," Rainwater said, adding that nearly three-quarters of last year's Asbury graduating class was from out of state. "We help our students find their niches and make sure they're plugged into the right things at the right time."

Other program leaders echoed Rainwater's comments: The Bluegrass is the place to be if you want to make a career out of your love for horses.

"Students come to Georgetown College to have the opportunity to live and study in the Horse Capital of the World," Reid said. "The program has historically brought students from across the United States to Kentucky, a trend I expect to continue."

Holland said Midway's instructors and coaches have many connections within the local horse industry, and that benefits students.

"Because of this, we are also able to help place our students at farms and equine-related organizations for internships and jobs," she said. "Being located in the heart of Kentucky's horse country is a definite plus."



*Julie Torzewski, MSBC, CFRE
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Kentucky's Higher Education Equine Programs

KENTUCKY has 10 higher education Equine programs ranging from niche areas such as therapeutic riding or even a jockey school to business management of horse operation.

Asbury University, Wilmore

Bachelor's in Equine Management

Time commitment: Four-year degree

Sample courses: Horsemanship Ministry; Stable Management; Horse Training

Bachelor's in Psychology with Equine Facilitated Mental Health Emphasis

Time commitment: Four-year degree

Sample courses: General Psychology; Developmental Psychology; Equine Facilitated Mental Health

Minor in Equine Management

Minimum credit hours: 17

Time commitment: Varies

Sample courses: Horseback Riding; Stable Management; Equine Health and First Aid
Facilities: 341 acres of pasture land, trails, round pens, two barns and an indoor riding arena.

What makes this program unique? It's the only equine program in Kentucky with a Christian focus. Additionally, students train horses for police departments all over the world.

Bluegrass Community and Technical College, Lexington

Associate's in Equine Studies

Concentrations: Horseman or Jockey

Time commitment: Two-year degree

Sample courses: Introduction to Breaking and Training; Equine Bloodstock

Certificate in Equine Studies

Concentrations: Exercise Rider, Equine Industry Workforce, Equine Veterinary Assistant

Time commitment: One-year program

Sample courses: Racehorse Care Lab; Introduction to the Racing Industry

Facilities: The Thoroughbred Center at Keeneland, featuring stalls, two training tracks, a starting gate and clocker stand.

What makes this program unique? Founded in 2006 by Hall of Fame jockey Chris McCarron, the North American Racing Academy at BCTC is the first and only accredited community college-based racing school in the U.S.

Eastern Kentucky University, Richmond

Minor in Horses, Humans and Health

Time commitment: Varies

Sample courses: Horse and Human Co-Occupation; Equine Assisted Therapeutic Recreation

Facilities: No on-campus equine facilities, so students take frequent field trips to the Kentucky Horse Park, Keeneland and the Kentucky Horseshoeing School.

What makes this program unique? This interdisciplinary minor is housed in the Department of Occupational Science and Occupational Therapy.

Georgetown College, Georgetown

Equine Scholars Program

Time commitment: 4 years

Sample courses: Students participate in a wide variety of internships, job shadowing, seminars, workshops and events.

Facilities: No on-campus horse facilities.

Program offers dedicated space for Equine Scholars to study, socialize or store barn gear. Space is also used for on-campus lectures.

What makes this program unique? Students can choose any of the 40-plus majors offered at Georgetown, and the program will teach them how their skills and interests in the classroom connect to a career in the horse industry.

Midway University, Midway

Bachelor's in Equine Studies

Concentrations: Equine Management, Equine Health and Rehabilitation, Science

Time commitment: Four-year degree

Sample courses: Equine Healthcare Management; Equine Anatomy and Physiology; Equine Behavior

Minor in Equine Studies

Time commitment: Varies

Sample courses: Introduction to the Equine Industry; Equine Farm Operations

Facilities: 150-acre working horse farm including stalls, indoor and outdoor riding arenas, a jumping field, dressage ring and more than 70 acres of pastureland.

What makes this program unique? Midway University sits on a 200-acre campus, and 150 of those acres belong to the horses.

Morehead State University, Morehead

Bachelor's in Equine Science

Time commitment: Four-year degree

Sample courses: Horseshoeing; Advanced Saddle Seat Horsemanship; Principles of Epidemiology in Agriculture

Minor in Horsemanship

Time commitment: Varies

Sample courses: Equitation; Equine Health and Disease

Facilities: 325-acre working farm, including indoor and outdoor riding arena, stalls, three barns and four large paddocks.

What makes this program unique? Students can literally live on the farm. Agriculture science students live at the Derrickson Agricultural Complex, and the university is just completing a second new student housing unit at the farm.

Murray State University, Murray

Bachelor's in Animal/Equine Science

Concentrations: Science or Management

Time commitment: Four-year degree

Sample courses: Animal Nutrition; Equine Facilities Management; Teaching Horsemanship

Minor in Equine Science

Time commitment: Varies

Sample courses: Equine Nutrition and Feeding; Equine Exercise Physiology

Facilities: Instructional facility, barns, lighted outdoor riding arena, outdoor dressage arena, turn-out lots, wash rack and round pens.

What makes this program unique? Undergraduates can complete research projects, and some have presented their findings at national conferences or had their work published.

University of Kentucky, Lexington

Bachelor's in Equine Science and Management

Concentrations: Business; Community Leadership and Development; Equine Science; Forage/Pasture

Time commitment: Four-year degree



The University of Kentucky equine science and management bachelor's program offers students access to research facilities at the internationally recognized Gluck Equine Research Center.

Sample courses: Equine Law; Animal Genetics; Fundamentals of Soil Science

Facilities: 100-acre horse unit on the university's Newtown Pike farm, including barns and more than 25 pastures and paddocks.

Additional equine research programs are housed at Spindletop Farm and a university farm in Woodford County.

What makes this program unique? Vast research opportunities and facilities, including the internationally recognized Gluck Equine Research Center. On-campus equine facilities for teaching, research and extension activities are housed on the southern part of UK's main campus and include the Gluck Equine Research Center, Garrigus, Barnhart and Ag Science Center buildings.

University of Louisville, Louisville

Bachelor's in Business Administration in Equine Business

Time commitment: Four-year degree

Sample courses: Organization and Administration of Equine Operations; Equine Marketing; Equine Commercial Law

Minor in Equine Business

Time commitment: Varies

Sample courses: Equine Economics; Equine Financial Management

Facilities: No on-campus equine facilities, but students have the opportunity for field trips, internships and host industry professionals in the classroom.

What makes this program unique? This program is housed in the College of Business and is not focused on equitation or horse care.

Western Kentucky University, Bowling Green

Bachelor's in Agriculture-Equine Science

Time commitment: Four-year degree

Sample courses: Basic Equitation; Horse Production; Horse Training

Facilities: University farm features Agricultural Exposition Center, sales arena, indoor and outdoor riding arenas and barns.

What makes this program unique? Riding team uses exposition center to host competitions and other events, supporting the local equine industry and economy.

Bluegrass Community and Technical College has an associate's degree program in equine studies with concentrations toward becoming a horseman or a professional jockey. Its North American Racing Academy is the only accredited community college racing school in the United States. BCTC students the Thoroughbred Center facilities at Keeneland.

Nestled in a tri-state area, Morehead draws a significant number of students from both Ohio and West Virginia, a state that does not have an equine major. Meanwhile, Murray State attracts students from the states bordering Western Kentucky, Porr said, "but we've had students from Connecticut and Washington state, as well as from China."

At BCTC, Hayes said students come from all over the world to attend NARA. About half of the specialized program's students are from out of state, though Hayes said the college is working to increase the number of local students through dual-credit initiatives and the program's emphasis on career placement.

Growth is good

Kentucky's equine programs are seeing steady enrollment and, in many cases, growth.

Asbury's program has more than doubled in recent years, Rainwater said, up from 56 majors in 2010 to 125 now. The university is building three barns this summer just to catch up, spending more than \$500,000 with local builders on the project. Donors are crucial to the effort, Rainwater said, including Keeneland, which recently donated the Polytrack track surface it used for several years to the facility.

Since BCTC expanded the NARA program "to an equine industry workforce provider rather than just a jockey school, our enrollment has expanded tremendously," Hayes said. Still, the college is working to get the word out to more students, especially local ones.

And things are growing at Midway University, too. Holland said enrollment in the equine program has steadily



increased for the last several years to 100 students, and the university's goal is to boost that number to 120-130.

Employment prospects

Students just starting out in college are often driven to follow a passion; for seniors, it's all about getting a job or landing a coveted spot in graduate school. Kentucky's equine programs are showing success on both accounts.

UK's program is still young, Wiemers said, having just started in 2006. But figures show 75-80 percent of graduates are staying in the equine industry, whether in vet school, working on a farm, serving as a bloodstock agent or in a communications role.

Murray students show a similar wide range of equine activities after graduation.

"We provide hundreds of students opportunities to succeed in their chosen careers," Porr said. "We have students who are working on graduate degrees at other universities, students who are in the technical fields, such as pharmaceutical or nutrition, and students who are working

and managing breeding and showing operations around the country."

Capps said UofL's greatest strength when it comes to job placement after graduation is that whether students decide to go into the horse industry or not, they are armed with a business degree that can help them land work in another field.

Variety is key at Asbury, too.

"One of the things that we are pretty pleased with is the employment rate of our majors," Rainwater said. "Over the last seven years, 68 percent of our graduates are working in the equine field and 17 percent are in graduate school."

Rainwater said the key is offering Asbury students options within the equine field – not everyone wants to work in Thoroughbred racing, he said.

That sentiment seems to be what drives Kentucky equine programs across the board: offering students a wide range of experiences to turn their love of horses into a lifetime career. ■

Katheran Wasson is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

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Rolex Stadium, a 7,338-seat arena built for the 2010 FEI World Equestrian Games, is one of the reasons the 1,032-acre Kentucky Horse Park now hosts 200 events a year that attract attendance of more than 800,000.

Equestrian Facilities, Economic Impact

Kentucky Horse Park attracts 800,000-plus annually to 200 events a year since its 2010 WEG facility upgrades

BY ESTHER ZUNKER

If you live among the rolling hills of Lexington and its surrounding areas, you may have heard some facts and figures over the years about the economic impact of Kentucky's Thoroughbred industry. An official study completed in 2013 revealed the local equine industry was valued at around \$3 billion to the Bluegrass State.

While the majority of those funds can be attributed specifically to Thoroughbreds, other breeds still play a highly important role. One facility that features a variety of breeds and attractions and hosts thousands of visitors annually is the Kentucky Horse Park.

The working horse farm and educational park has been open since 1978. While most local residents are at least

aware of its existence, many may not realize just how vital the Horse Park has been to Kentucky over the years.

"It has a far-reaching impact," said Kentucky Horse Park Executive Director Laura Prewitt, who took over the reins from Jamie Link July 1. "But the Horse Park is perhaps more known nationally and outside the state of Kentucky than in Kentucky. One of our efforts moving forward will be marketing the Horse Park by refreshing the brand ... and what it means to our city and state."

The 1,224-acre Kentucky Horse Park is considered one of the premier equestrian



*Laura Prewitt,
Executive
Director,
Kentucky
Horse Park*

trian facilities in the world and hosts dozens of events year-round, including the Olympic-level Rolex Kentucky, the nationally renowned Road to the Horse, the prestigious National Horse Show, annual Pony Club competitions and High School Invitational Rodeo, and the annual BreyerFest convention for fans of model horses.

The park also is a venue for many other non-equine events, including track meets, cheerleading competitions and dog shows. In addition, it is the home of the National Horse Center, a collection of more than 30 national, state and regional equine organizations. The largest and best known among them is the United States Equestrian Federation, the governing body for all equestrian sport in the United States.

USEF just struck a deal to build a new 35,000-s.f. headquarters at the park and stay for at least 40 years, with an option to renew for 40 more.

The Horse Park hosts around 800,000 visitors per year, and generates more than \$3.2 million in fee revenue from its 200 annual events. One of Prewitt's immediate goals as executive director is to do a full economic impact study on the park.

"That's something we're going to be working on and it's at the top of our list," Prewitt said. "We want to get a better, true snapshot of the economic impact the Horse Park has on the state, city and surrounding areas."

World Equestrian Games

The last time such a study was done on the Horse Park was after it hosted the 2010 Alltech FEI World Equestrian Games – the



Alltech Arena, seating 5,500 for indoor competitions, was built by 2010 FEI World Equestrian Games sponsor Alltech Inc., the Nicholasville-based animal nutrition company.



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first time that quadrennial international competition was held outside Europe.

The Tourism, Arts and Heritage Cabinet conducted a study that measured the park's FY 2010 economic impact at \$180 million, including \$18 million in state tax revenue. The World Equestrian Games itself had an estimated impact of \$201.5 million, including \$18.4 million in tax revenue.

"The Kentucky Horse Park is the premier equine tourist destination in the world," said Don Parkinson, Cabinet of Tourism, Arts and Heritage secretary. "The horse park is a 1,229 acre equestrian facility with a working farm and is dedicated to 'man's relationship with the horse.' The latest studies demonstrated that the Kentucky Horse Park contributes more than \$149,000,000 in annual economic impact to the Commonwealth of Kentucky. Additionally, the highest profile event at the Kentucky Horse Park, the World Equestrian Games in 2010, contributed over \$200,000,000 in economic impact. The Kentucky Horse Park is a significant tourist attraction.

"In addition to hosting over 200 high profile equine events, the park is home to the International Museum of the Horse, a Smithsonian Affiliate museum," said Regina Stivers, Cabinet of Tourism, Arts and Heritage deputy secretary. "The International Museum of the Horse is the most comprehensive equine museum in the world with rotating historical exhibits, in addition to a permanent collection of horse history. The museum serves as an outstanding tourist attraction on its own." More than 419,000 visitors came to the park during the 16 days of competitions that September and October, and millions more people around the world watched some portion of the competition on television. State officials said the immediate benefits as well as the long-term gains of

WEG justified the approximately \$107 million in state, local and federal money spent on infrastructure improvements at the Horse Park.

Alltech Arena

In the years since WEG, the Horse Park has continued to benefit from the Alltech Arena built for the event, as well as the other improvements made throughout the park.

With roughly 5,500 permanent seats and more than 20,000 s.f. of exhibit space, Alltech Arena represents Lexington's second largest convention space, behind Lexington Center. Outside of its equine shows and competitions, the space has seen events ranging from outdoor expos to weddings and high-school graduations. This spring, the arena hosted its first major concert when five-time Grammy nominee Hunter Hayes performed during the Rolex Kentucky Three-Day Event in April.

"We have a great event space beyond being the world-class Kentucky Horse Park," Prewitt said, adding that the Horse Park plans to book more concerts at the arena in the future. "We want to investigate utilizing the fantastic space we have when we're not having equine events."

Rolex Stadium

Rolex Stadium is the primary outdoor event venue in the Horse Park complex. The stadium seats 7,338 in its main grandstand but can accommodate up to 37,338 with temporary bleacher seating. The venue primarily is used for larger outdoor horse shows, concerts and other sporting events. It is the largest outdoor concert venue in Central Kentucky with a capacity of up to nearly 52,000.

Museums

The Kentucky Horse Park features two museums: the International Museum



Left: A wide variety of equestrian competitions and events take place each year at the Kentucky Horse Park's indoor and outdoor facilities. It opened in 1978, but added the many of its major facilities in 2009 and 2010.

Above: A horse-drawn trolley is used to give tours of the working horse farm and educational theme park.

of the Horse, and the American Saddlebred Museum, the "Showplace for Saddlebreds."

The International Museum of the Horse (IMH), a Smithsonian Affiliate, examines the role of horses throughout world history, from ancient times to today's most popular sporting events.

The American Saddlebred Museum highlights the role Saddlebred horses have played in American history and culture. It features a large, research library, exhibits and a gift shop.

"One thing that's a hidden treasure is that we have one of the best equine museums in the world," Prewitt said. "It's overlooked a lot because people want to see and pet the horses. I recently took my 15-year-old daughter and she said, 'I can't believe this is here. This is really cool.' That's the reaction a lot of folks have when they take the time to see the exhibits in there. It truly is a special place."

Other Horse Park Attractions

The Horse Park has several other attractions that help bring in thousands of visitors each year.

- The Hall of Champions features an elite group of Thoroughbred racehorse champions that reside at the park, including Da Hoss, Funny Cide and Go



Kentucky Horse Park hosts international level competitions such as the Rolex Kentucky Three-Day Event (dressage, cross country and show jumping), won in 2015 and 2016 by Michael Jung of Germany on Fischerrocana FST. Jung also was the individual gold medal winner at the 2010 World Equestrian Games.

For Gin. These horses and other well-known Quarter Horses and Standard-breds are shown in daily presentations.

- The High Hope Steeplechase event provides the thrills of jump and flat racing to spectators one weekend each May. This year, the event benefited the Kentucky Horse Park Foundation and Central Kentucky Riding For Hope.

- The Horse Park Run/Walk Club meets every Monday from June 6 to Sept. 26 and features local craft beers, food trucks, information tables and horse meet-and-greets. The free event provides an opportunity for participants to take a scenic run or walk along a designated route through the Horse Park at their own pace.

- The Southern Lights Stroll takes place in late November and gives participants the chance to see the Horse Park's popular holiday light displays on foot. The event is family friendly and benefits needy families and local animal shelters.

- The Southern Lights Holiday Festival, which runs from late November to late December, has been offered for more than two decades. Presented by the Kentucky Horse Park Foundation, the four-mile driving tour of holiday lights attracts more than 120,000 visitors each year from across Kentucky and surrounding states. After driving through the lights, guests are invited to park and enjoy the attractions in the park's interior, which offers local crafts, model trains and mini train rides, visits with Santa and an exotic petting zoo.

Partnerships with local veterinary clinics

The Horse Park utilizes the services of several different local equine clinics to help care for its many equine residents.

"All the veterinary services around us

are really good partners," Prewitt said. "It helps that we have multiple connections (with different veterinarians), because vets specialize in so many different areas. We're so lucky with where we're located in Lexington that we're surrounded by the best equine veterinarians in the world. We have a great pool to go to when we need a specialty or just routine care."

Looking toward the future

Prewitt, who has an extensive background in the horse industry, is dedicated to forming an improvement plan for the Horse Park as she settles into her new role.

Governed by the Kentucky Horse Park Commission, the Horse Park is part of the state parks system but has its own governing body and a private, nonprofit fundraising foundation. It operates independently from the Cabinet for Tourism, Arts and Heritage. Prewitt said the commission had recently formed a strategic planning committee that will put forth a strong strategic business plan for the future of the park.

"We want to also get our employees involved," Prewitt said. "We want their input instead of just executive-level people telling the plan. We want to make it a team effort and for everyone to be on the same page for what the Horse Park should be."

"I want the Horse Park to grow in what we offer on the equine level and also grow in other areas. I want it to be a 'come back to' destination. We are working on refreshing our tag line. (The Horse Park) sells itself, but we want to refresh (its message) and get the word out on what all we have to offer."

Prewitt grew up on a farm in Franklin County and attended the University of Kentucky. She held leadership roles at the Kentucky Thoroughbred Association,



Kentucky Horse Park is home to about 50 breeds of horse, many of which participate in a daily Parade of Breeds from March to October.

Kentucky Off-Track Betting and the Breeders' Cup Festival before being appointed to her new position at the Horse Park.

"I've been coming out to the Horse Park since I was little," she said. "My husband and I own a farm two miles from here, so it's in my back door. I get what it takes to run a horse farm."

Prewitt feels encouraged about the tasks and goals that loom before her at the Horse Park, namely because of the strong team behind her.

"It's more than a job to them – it's a passion," Prewitt said. "I'm so thankful that everyone has been very gracious and welcomed me with open arms. That's been the most positive thing about walking in. Everyone has taught me about their divisions and been patient with me. I've been very appreciative of their support and help." ■

Esther Zunker is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

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Stephen Hillenmeyer, center, and his sons Seth, left, and Chase are the fifth and sixth generations of their family in direct, continuous ownership and management of what today is Stephen Hillenmeyer Landscaping Services. Headquartered on Sandersville Road in Lexington, the company was started in spring 1841.

Hillenmeyer: A Business Perennial for 175 Years

Sixth-generation business began with fruit trees, now focuses on landscaping services and mosquito control

BY KATHIE STAMPS

THE Hillenmeyer name is synonymous with horticulture and is familiar to anyone who has lived in the Lexington area since, say, the mid-1800s. Celebrating 175 years in business in 2016, the company is now in its fifth and sixth generations of family leadership.

It is the second oldest company in Lexington (16 years younger than Milward Funeral Directors) and the second oldest nursery in the United States, after a nursery in Missouri. The company's name has changed over the decades – from Hillenmeyer Nurseries to Stephen Hillenmeyer Landscape Services – and business models have evolved from products to services.

While success is not a given for any business, neither is succession for those that are family-owned. However, each generation of the Hillenmeyer family has had a love of the land and horticulture, as well as a head for business.



Stephen Hillenmeyer

“My father grabbed me at 10 years old to go in the fields and start picking wild onions,” current owner Stephen Hillenmeyer said. The youngest of nine children, he would ride his bike to the nursery on Sandersville Road in Lexington “and get in everybody’s way” at the warehouse and the office – a building that was once home to Mary Todd Lincoln’s parents and today is on the National Register of Historic Places.

Although he once entertained the thought of becoming a professional tennis player, Stephen Hillenmeyer earned a horticulture degree from UK and joined the family business. He worked in the retail center and then the landscape department before running the operations side, becoming co-owner in 1985 and sole owner in 2002.

The growing and selling of trees was a sustainable business model for decades, said Hillenmeyer.

“For years we were ‘order takers,’” he said. “We had enough business and didn’t have real plans for growth. For years we didn’t have a budget or plan; it was just another year.”

But in 2003, shortly after he took the helm, Stephen Hillenmeyer Landscape Services branched out and purchased a Weed Man franchise, and became a Mosquito Authority franchisee for Central Kentucky in 2013. A year later the company purchased the Weed Man Nashville franchise.

Stephen’s sons Chase and Seth have joined the business within the past decade, although their father initially discouraged them from doing so.

“I didn’t want them to be a part of the business because it was already complicated, and I thought they should just do something else,” he said.

However, both sons had already fallen in love with business in general, and with the family business in particular.

“We were always around business growing up and it was interesting to me at an early age,” said oldest son, Chase Hillenmeyer.

Chase Hillenmeyer has a degree in business management and entrepreneurship from Miami University in Oxford, Ohio. He joined the company in 2007 and is vice president of opera-



Seth, left, and Chase Hillenmeyer with portraits of the first four generations of Hillenmeyers involved in the family business.

tions for Stephen Hillenmeyer Landscape Services, Weed Man Lexington/Nashville and Mosquito Authority.

Seth Hillenmeyer, who used to help customers carry plants at the garden center, joined the company as an adult in 2013 and is the general manager for Weed Man Lexington/Nashville and Mosquito Authority.

Seth Hillenmeyer studied finance at Miami University. Instead of joining the family business directly out of school, he worked in commercial banking in Chicago.

"I wanted to try something else before I came back," he said. "After two years, I saw what the business was doing and I wanted to join the two of them."

Grown from French fruit trees in 1841

The company's patrilineal ownership started in the spring of 1841, when Francis Hillenmeyer began greening up Fayette County with fruit trees from his native France. His son, Hector, as the second-generation owner, bought 100 acres in Lexington for the nursery, 16 of which are still in the family and are home to the company's headquarters on Sandersville Road.

By 1910, Hector's sons, Louis and Walter Hillenmeyer, expanded the business to include ornamental trees and shrubs, as well as a mail-order business through the Sears Roebuck and Co. catalog in the 1920s and '30s. Their namesakes, Louis Hillenmeyer Jr. and Walter Hillenmeyer Jr., were the fourth generation of owners and carried the company through its 100th anniversary.

In the 1950s they opened a garden center on the property and smaller retail locations across Lexington. Louis Jr. and his brother, Robert Hillenmeyer, became involved in the landscape maintenance of industrial properties in the 1960s and '70s. Fruit tree production declined while ornamental foliage continued to expand.

The fifth generation came on the scene in 1985 when Louis Jr.'s sons, Louis III, Christopher and Stephen Hillenmeyer, bought the company. As yet another century – and millennium – dawned, Stephen Hillenmeyer became the sole owner. Hillenmeyer Nurseries had less and less of a growing operation, and he changed the focus to landscape and lawn maintenance services, and changed the name to Stephen Hillenmeyer Landscape Services. His brother Christopher continued to own and run the Hillenmeyer Garden Center on Sandersville Road until it closed in 2005.

From fruit trees to mail order, from ornamental trees and shrubs to retail centers, the Hillenmeyer family has always been involved with horticulture. The current business model is that of



providing lawn care, outdoor maintenance and landscaping services, with the help of 75 full-time employees and an additional 165 part-time and seasonal workers during the company's peak of early spring to late fall.

In addition to having provided services for such clients over the years as Trane, St. Joseph Hospital, the University of Kentucky, horse farms, and commercial and residential projects, Stephen Hillenmeyer Landscape Services will be donating the landscaping design and installation for the renovation of the century-old Fayette County courthouse in downtown Lexington.

"We wanted to do something for the city for being so good to us," Stephen Hillenmeyer said.

Modern management formula today

Stephen Hillenmeyer and his two sons make up the executive team and believe that taking care of employees and customers is key to the company's success. Business models may have changed, but a core focus on people remains.

The team follows a performance management formula, implemented four years ago with the help of an industry consultant. The Hillenmeyer executives set annual and monthly SMART goals – specific, measurable, achievable, realistic and time-bound. Individual reviews and accountability meetings occur regularly companywide. On a weekly basis, department heads present results of key performance indicators.

"We are very 'open book' with our folks," Chase Hillenmeyer said of the company's budget and financial information, which wasn't always the case.

"I remember when I first started, I wanted to control everything," he said. Less than a decade later, he has become a big proponent of the "delegate and

Henry Hillenmeyer, toddler son of Seth and his wife Megan, represents a potential seventh generation of family involvement in the family business.

drive business results" managerial school of thought.

"So much of our time now is spent in a coaching role rather than working in the business," Chase Hillenmeyer said. "The most rewarding part for me is seeing people reach their goals. We have a lot of success stories."

He also enjoys working alongside his dad and brother.

"We have such a strong relationship and are so close," he said. "We're fortunate to be able to work together."

In addition to being able to adapt to changing technology and market climates, the Hillenmeyers are proud of offering opportunities for betterment to other people. Hillenmeyer's has always had longstanding employees – people who spend entire 20-, 30- or 40-year careers with the company. The Hillenmeyer executive team can share one example after another of employees who have started off as an hourly worker and are now in management positions.

"They start at the bottom and work their way up, and they tell those stories to other people," Stephen Hillenmeyer said. "I think it gives people hope for their future."

He is also confident in the company's future and is quick to give a lot of credit to his sons, Chase and Seth.

"They have done a phenomenal job of focusing on our culture," he said. "This is their generation." ■

Kathie Stamps is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

SPOTLIGHT ON THE ARTS



A new pilot project will integrate work from local artists into farmers markets with the goal of increasing sales for all vendors.

A New Approach to Marketing the Arts

Pilot program integrates art into Kentucky farmers markets

FARMERS markets are an important cog in the machine of Kentucky's agribusiness. With an exciting array of fruits, vegetables and other Kentucky agricultural products, farmers markets often are quite colorful. And now, a \$51,000 grant from the United States Department of Agriculture to the Kentucky Arts Council will help add even more color to these venues.

The arts council will use the grant to execute a yearlong pilot project in Ohio and Owsley counties to integrate the arts into farmers markets. The goals of this project are to provide new markets for artists to sell their work; increase sales for all vendors at the two farmers markets; introduce new products that will draw more customers; build relationships in the two counties between residents, local farmers and artists; provide opportunities for residents to learn about the working lives of farmers and artists; develop appreciation for small local businesses; and increase local and regional tourism. At the end of the project, the arts council will produce a guide for Kentucky communities to implement similar programs at their local farmers markets.

There are farmers markets in 106 Kentucky counties, representing 2,500

vendors, according to the Kentucky Department of Agriculture website.

John Stofer, a principal in Ohio County Schools and a farmer in the Beaver Dam community, said he is looking forward to seeing the collaboration between Ohio County's farmers and artists.

"Ohio County is rich not only in farmers but also in artists. There's a lot of local community pride," Stofer said. "This grant will allow us to promote both as a joint effort to reach a larger population. The grant is a great opportunity to work together with our local artists and with the Kentucky Arts Council to promote local talent and local produce as a community wide effort."

Glenn Baker, community education director for Owsley County Schools and vice president of the Owsley County Arts Council, said the partnership will provide Owsley County artists something they have not had before – a common forum in which to sell their work.

"Artists here do things independently. They don't have a place to come together and show what they create," Baker said. "We hope this helps with that."

Bringing together farmers and artists in Owsley County for a project that could

inject more money into the local economy and drive tourism is an effort that could produce many positive outcomes.

"For the community, I'm hoping it's an economic boost," Baker said. "Owsley is one of poorest counties in the state and nation. We had a population of 4,755 in 2010 and it's currently estimated at 4,400, a 7.2 percent decrease."

The scope of the arts council's work includes:

- Gathering local artists, agricultural producers and community members interested in identifying a need or area of improvement at the local farmers' market that can be addressed through artistic means and collaboration.

- Creating opportunities for local and regional artists to sell work alongside producers at the farmers' market.

- Producing a culminating event in 2017 during a regularly scheduled farmers' market where the project team will provide an opportunity for the public to experience firsthand the results of the endeavor.

The grant also supports a series of training sessions in Owsley and Ohio counties. Training topics will promote cooperation between the art and agriculture communities and may include business skills development, branding, packaging and product development, recruiting additional participants to sell at the market, creating promotional materials and advertising for the market, creating an online presence or social media site for the market, or creating programming to draw more consumers to the market.

"I think the trainings will be helpful. The big thing, besides production obviously, is marketing. We know vendors with logos advertising their products, and it makes their products more appealing to customers, draws them to their booths and increases sales. We encourage our vendors to do that. I think it will benefit new vendors greatly to interact with artists and develop an understanding of how to market their product."

The arts council will be documenting this project during the next year, and updating the public on its progress on social media. ■



Lori Meadows is executive director of the Kentucky Arts Council.



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EMERGING LANE

Kentucky's young professionals and creatives

A Millennial 'Game Changer'

Cara Silletto's Crescendo Strategies

CARA Silletto has been called a "game changer," recognized by numerous organizations as an up-and-coming human resources professional with a unique approach.

What's unique about Silletto and her company, Louisville-based Crescendo Strategies? Her focus on millennials in the modern workplace. Millennials (those under 36) now comprise the largest generational group in the workforce; by 2020, they'll outnumber the Baby Boomers and GenXers combined. Silletto's unique position led her to start her own company in 2012 and author "The Millennial Mindset" earlier this year (available for free download at CrescendoStrategies.com).

We talked with Silletto to get some insights into how her rise in the HR world has happened and what the future holds.

TLR: What inspired you to create your own HR consulting business as a result? Clearly you saw a need.

CS: I began Crescendo Strategies as an entrepreneurial consulting firm, helping startups write business plans, do market research and run financial models. I quickly learned it wasn't fun telling dreamers that their babies were ugly. As we came farther out of the recession, I was looking for a new route and it was clear to me that the training and development cuts made during hard times were coming back to haunt organizations.

TLR: At what point were you inspired to focus on the behavior of Millennials?

CS: The Millennial niche found me. I had several HR and talent development mentors who had decades of experience consulting and training, and they encouraged me to go into the generational space

because I sit in a unique sweet spot for bridging the widening gaps. I'm a Millennial myself, born in 1981, and I have more than a dozen years of work experience where I learned (the hard way) what older managers and colleagues expected of me.

TLR: What, in your mind, defines Millennials in terms of their mindset and expectations in the workplace? How do they differ overall from GenXers and Boomers?

CS: We were raised differently. Millennials are extremely egalitarian, because we were raised with a voice as children. We don't see hierarchy like previous generations saw it because we got the same vote as our parents in many cases. After years of giving our opinion at home, it's pretty surprising for Millennials when they enter the workplace to find no one wants their opinion. Instead of titles, ranks and seniority, Millennials see everyone as equal in that we all bring value in our own way. Millennials not only embrace change, we expect it. Unlike Boomers who worked extremely hard to earn more money and "do better" and GenXers who learned the "Boomer way" of paying their dues, Millennials have strength in numbers and aren't willing to work 60-plus hour weeks and sacrifice too much at home.

TLR: Many older people identify Millennials as being "entitled." How do you handle these attitudes when working with HR professionals?

CS: It's critically important for HR professional and organization leaders to not place blame on Millennials for the heightened sense of entitlement seen today. It's there, but it's not our fault! HR must find middle ground here by having both Millennials and leaders communicate their expectations more clearly.

TLR: What do you see as the future of the American worker and workplace,



Cara Silletto

given that Millennials are overtaking these groups due to attrition?

CS: The times of long-term tenure and "commitment for commitment's sake" have passed. Most companies no longer offer long-term benefits, such as pensions, for employees and Millennials know that companies can let them go anytime. There's very little loyalty in either direction these days. To get and keep talent, it's time to focus on performance and results, rather than seniority, tenure and a time clock. I see more companies using contractor roles to reach goals or complete a specific scope of work.

TLR: What has it been like to see your company grow so much?

CS: We've made incredible strides and had unexpected obstacles since I started Crescendo Strategies in 2012. I never imagined I'd have a tribe of followers who believe I'm a thought leader, be quoted in *Forbes*, named by *Recruiter.com* as a "Top 10 Company Culture Expert to Watch," or recognized by *Workforce* magazine as a "game changer."

TLR: What's next for you and Crescendo?

CS: There's a growing need for reducing unnecessary employee turnover at companies across the United States, and I can't do it alone. Our team is building online courses to reach more supervisors and managers, and I've recently brought on fellow Millennial Erin Mires, Ph.D., with an HR and diversity specialty, to deliver on-site training programs and build new content for clients. — Kevin Gibson

Lexington to Get Largest Escape Center in the U.S.

Thanks to Countdown Games, team-building exercises are being taken to a whole new level. Coming this fall in Lexington, users can engage problem-solving and puzzle skills in a unique way, with some of the biggest escape rooms in the world.

According to the Countdown Games website, users can solve problems like time bombs. "Your evil uncle has died, but he programmed a bomb to go off 1 hour after his death to destroy any evidence of his crimes. Your job is to go into his home and solve his traps, puzzles and riddles before the bomb goes off! Movable walls, challenging puzzles with a surprise around every corner."

Visit countdowngames.com for more information.

Lakeside Live Offers New Central Ky. Food, Music Scene

The Mall at Lexington Green has undergone a major facelift in the last few years, and now it will be taking advantage of its waterfront location even more than before with Lakeside Live. Launched in mid-June of this year and running every Friday and Saturday night from 6 to 9 p.m. until Oct. 15, Lakeside Live offers local and regional musicians playing free shows. A project by Lexington Green owners, Langley Properties, the project came about as a way to increase the amount of visits to the retail center's shops and restaurants.

Visit lexgreenlakeside.com for more information.

Meet SAM: Sharing America's Marrow

IN January 2015, three young women from Louisville set off on a year-long road trip to visit all 50 states. Yes, they had some fun along the 24,000 miles they covered, but their mission was to register 24,000 donors to the registry of Sharing America's Marrow. SAM was founded by sisters Alex and Sam Kimura and their best friend, Taylor Shorten.

In 2010, when Sam Kimura was diagnosed with severe aplastic anemia, a bone marrow transplant was the only cure for this rare and deadly disease caused by bone marrow failure. The 17-year-old's best chance of a donor match was her sister.

"I am Sam's only sibling, but unfortunately I was not a match," Alex Kimura said, "and unfortunately she didn't have a match out of the 25 million people on the donor registry either. Thankfully, she was able to have an alternative treatment that has kept her in remission, but she could still relapse at any time and need a transplant."

Sam Kimura takes about 20 pills a day to stay in remission, "but she gets to live a fairly normal life," her sister said. "She lives in Denver now and works at First Descents, a nonprofit that takes young adult cancer survivors on adventure trips."



Alex Kimura, Taylor Shorten and Sam Kimura are responsible for Sharing America's Marrow.

A graduate of Ballard High School in Louisville and a 2012 grad of Western Kentucky University, Alex Kimura worked at the Livestrong Foundation in Austin, Texas, for a couple of years after college. In April 2014 she came back to Kentucky to start Sharing America's Marrow for her sister and is the company's CEO.

"To find a match for Sam, and for the thousands of other patients fighting blood cancer and blood diseases that need transplants, we decided to do something big," she said. "We became a 501(c)(3) tax-exempt nonprofit, raised over \$150,000, created a website, leased a van, and planned 193 bone marrow donor registration events in 2015."

Young adults 18-26 make the best bone marrow donors, so the SAM team speaks to a lot of Millennials at festivals, breweries and colleges. They've worked with campus fraternities and sororities, as well as businesses that encourage employees to get involved with community service, and with patients and their families across the country to host donor registration events.

"All it takes for people to register is filling out a consent form and swabbing their cheek," Alex Kimura said. "There are many misconceptions about bone marrow and we need people to know that it isn't as scary or painful as they might think it is. We want people to know that the procedure has changed from how it was in the past, and that it is not like what they might have seen in the movies."

About 80 percent of donors are asked to donate blood stem cells, a process similar to giving plasma, and 20 percent are asked to give bone marrow through an outpatient procedure.

"A few hours out of your life for the donation could completely cure a patient of the leukemia, lymphoma, sickle cell anemia, or another disease trying to take their life," Alex Kimura said. "If you do get called to be a match, you might be the one person in the world that could save that patient's life."

To become a donor, visit sharemarrow.com. — *Kathie Stamps*

Hemp on the Menu

AZUR Restaurant Group executive chef and co-owner Jeremy Ashby can be found trying new things in the kitchen on a regular basis, and this was no exception: hemp pasta.

"It's mystical to people," he said. "There's a lure to it."

In the state of Kentucky in the early 1900s, industrial hemp was a major crop, arguably more impactful than tobacco ever was. Banned in the late 1930s as part of the Marijuana Tax Act, hemp was illegal to grow for decades until 2014 when the Federal Farm Bill passed allowing cultivation and commercialization of industrial hemp for research purposes when states have enabling legislation. Kentucky had such legislation, and since then farmers, legislators and private enterprise alike have not looked back.

For foodies like Ashby, it's a welcome opportunity to look for new ways to partner with farmers and try cooking with the superfood.

Ashby wants to see Kentucky farmers given more tools to flourish and wants to source his ingredients locally. Currently most of his hemp ingredients are from Canada.

"I'm tired of the environmental impact of shipping it all the way from Canada when we can grow it here," he said, echoing sentiments of the Kentucky Department of Agriculture that also hopes to see a federal law unbinding the growth of industrial hemp.

"This will be an incredible farm impact for Kentucky," he said. "When this all happens, I want my recipes tested and ready to go."

He added, "I don't look at hemp as a center of a plate item, but more of a supplemental or garnish to food. It's an additive and a nourishing element of a dish. Hemp crusted chicken is something I could eat on a daily basis."

Hemp flour, hearts and protein can be added to just about any dish. Ashby adds hearts to rice or tosses them on a salad. With 50 percent protein, hemp is a great addition to pasta, providing a nutrient-rich meal. — *Abby Laub*

Jeremy Ashby cooks up some hemp pasta at Azur Restaurant and Patio.



Jeremy's Hemp Pasta

2 cups of flour
1 cup of hemp protein
2 eggs
1 tbsp of hemp oil
1 tsp salt

Mix dry ingredients, form a bowl, crack eggs, and add oil, knead into a dough. Add water if dough is dry.

Roll out dough, and cut into any desired pasta shape. Cook in a frying pan for about two minutes. Strain, reserving some of the hemp water. Toss in a pan with freshly grated parmesan, butter, salt and pepper. Garnish with fresh tomatoes, hemp hearts, olive oil or pesto.

Serve warm.





After winning the 2015 Kentucky Derby, Preakness, Belmont Stakes and Breeders Cup races, Thoroughbred racing's first ever "Grand Slam," American Pharoah now stands at Ashford Stud.

Meet the Champion

Kentucky Derby Museum
derbymuseum.org (502) 637-1111

Mint Julep Tours
mintjuleptours.com (502) 583-1433

Horse Country Inc.
visithorsecountry.com (859) 963-1004

Triple (Crown) Ripple

Fascination with American Pharoah has revived interest in horse racing

BY KATHERINE TANDY BROWN

BACK in the 1970s when working as an exercise rider, I watched three Thoroughbreds win racing's Triple Crown within a five-year span: Secretariat in 1973, with track records in all three races and a Belmont Stakes win by an astounding 31 lengths, followed in 1977 by Seattle Slew and by

Affirmed the next year. Assuming another stellar runner would win that triad within the next few years, the Thoroughbred industry was riding high. Rumors emerged that the Triple Crown might be getting too easy. But an equine superstar would not emerge for another 37 years. Rumors again flew, this time

that the Triple Crown was too difficult and should somehow be changed.

In 2015, however, American Pharoah pranced onto the scene and decidedly captured all three races, leading wire-to-wire in the Preakness and Belmont. Horse racing finally had a hero.

Owners Ahmed and son Justin Zayat agreed that the crowd's roar was so loud when their horse crossed the finish line that you couldn't hear the person next to you and that they'd never before heard the Belmont racegoers so vocal. Even folks who bet against the champ joined in the joyful noise, ecstatic that he hadn't suffered the same fate as had 11 horses prior, including California Chrome in 2014, who'd won the Kentucky Derby and Preakness but faltered in the Belmont.

"People were thirsty for a Triple Crown winner," says Patrick Armstrong, president of the Kentucky Derby Museum at Churchill Downs. "His accomplishment has brought a renewed interest in racing."

If you haven't already met the equine superstar, a great way to do that is on the "American Pharoah: A Champions

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Mint Julep Tours is one of the services offering tourists visits to Central Kentucky's world renowned horse farms.

Tour," an experience created through a partnership between the museum, Louisville-based Mint Julep Tours, and Lexington-based Horse Country Inc., a booking agent that connects its member farms and clinics with tour companies and individual visitors looking for equine experiences. This all-inclusive tour travels to the Derby Museum to view the new American Pharoah exhibit and includes a walking tour of the track's highlights and lunch at its café. Then in a van with a knowledgeable guide, you visit Coolmore America's 5,000-acre, gorgeously manicured Ashford Stud farm in Versailles, where the Triple Crown winner stands for \$200,000 per breeding and greets his human public, usually five days a week, with the grace of a seasoned diplomat.

"The tour is a full day of everything horseracing," says David Nichols, Mint Julep Tours' head of marketing.

The museum's homage to Pharoah opened in May to a record crowd of 1,200 (four-to-five times the usual attendance), who heard Ahmed Zayat, trainer Bob Baffert and jockey Victor Espinoza chat about all things American Pharoah.



Coolmore America's Ashford Stud farm outside Versailles in Woodford County has 5,000 well-manicured acres of facilities.



"The champ's connections have been so generous in sharing the horse with the public," said Armstrong. "His trainer is world renown, his jockey is popular, and the horse is a fantastic athlete. All those factors have led to a phenomenon we've dubbed 'The American Pharoah Effect'."

Essentially, that effect has caused museum attendance to reach record levels since May. And American Pharoah merchandise – hats, t-shirts, shot glasses, jockey silks, Breyer horse models, et al – continues to fly out of its store, all boosting the bottom line. Overall museum revenue is up 42 percent, and sales of the Triple Crown winner's merchandise compared with that of 2014 Derby champ California Chrome – the winningest racehorse of all time – are up 744 percent.

Also contributing to the effect, says Armstrong, has been a makeover of the museum's stunning in-the-round movie, "The Greatest Race," now produced in 4K video. The world's only such presentation, the film plays seven days a week, 362 days a year at 10 minutes past every hour the museum is open.

And yet, people still can't get enough of the Triple Crown champ.

Beautifully curated, the American Pharoah exhibit features interactive touch screens of his owner, trainer and jockey talking about the big horse and their own histories and impressions. Among other things, Baffert discusses

the runner's laid-back personality, one not generally found in high-strung Thoroughbreds. Video clips chronicle all of his wins, while media print clips from newspapers in 49 states report his specific Triple Crown races.

A highlight is the glittering display of the Kentucky Derby, Preakness, Belmont and Triple Crown trophies, the first time all have been exhibited in the same location. Among the memorabilia displayed are the horse's racing tack and silks, and Bob Baffert's high school diploma and a pay stub he received during a brief stint as a jockey. In case you missed it, there's even a film clip of Victor Espinoza's appearance on "Dancing with the Stars." Something for everyone.

As a bonus for the museum, Maker's Mark created a limited-edition commemorative American Pharoah bourbon bottle and together with the Zayat family, donated \$100,000 of its sales to the Derby Museum.

The American Pharoah exhibit runs through December at the Kentucky Derby Museum. Coolmore America's Ashford Stud releases blocks of dates to visit the champ at the farm every few months. Dates sell out fast, but you can sign up for email notifications at the Horse Country Inc. website, visithorsecountry.com. ■

Katherine Tandy Brown is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

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Stevens Honored for Contributions to Kentucky Bourbon Tourism

PEGGY Noe Stevens, a renowned image-branding consultant who has helped transform Kentucky's bourbon tourism industry, has been presented with the Kentucky Distillers' Association's Lois Mateus Networking Award for her decades of hospitality and professional prowess.

During her 27-year career, Stevens has served as the world's first female master bourbon taster, built tourism destinations for famous distilleries, authored two books, created innovative bourbon culinary programs and represented Kentucky for Julia Child, Bobby Flay and the Prince of Spain.

In 1999, while working for Brown-Forman Corp., Stevens was part of the Kentucky Distillers' Association team that created the Kentucky Bourbon Trail experience, which has grown to one of the country's most successful and unique tourism attractions.

In 2010, she founded the popular Bourbon Women Association, the first female consumer group in the industry to celebrate and support Kentucky's signature industry with a platform for women.

"Whenever bourbon and tourism meet, there has been Peggy Noe Stevens," KDA President Eric Gregory said. "Her legacy is literally inscribed on the walls of our most legendary distilleries that she has helped transform into thriving global tourism destinations."

The award is named for Lois Mateus, retired senior vice president of Brown-Forman and the first woman ever to serve



Kentucky Distillers' Association President Eric Gregory and Bourbon Women Association President Susan Reigler (center) present Peggy Noe Stevens with the Lois Mateus Networking Award for her many contributions to Kentucky's bourbon industry.

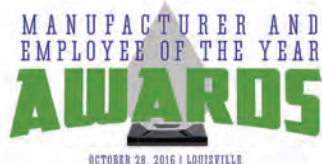
on the KDA board. Her two-year term in 1992 paved the way for other women in high-ranking roles throughout Kentucky's signature bourbon industry.

"The learning and development partnership of mentoring is a powerful influence in one's career," Mateus said. "It has been a joy to see Peggy Stevens share her experience and expertise for the professional growth of so many others."

Nominations Being Accepted for Manufacturer, Employee of the Year

THE Kentucky Association of Manufacturers is now accepting nominations for Manufacturer of the Year and Employee of the Year, awards created to showcase entrepreneurial spirit, community leadership, and policy contributions made by Kentucky manufacturers to enhance the sustainable, long-term prosperity of Kentucky.

The deadline for nominations is Aug. 29, 2016. The awards will be presented on Oct. 28, 2016, at The Seelbach Hilton in Louisville.



Links to the online nomination form can be found at kam.us.com/events/2016-manufacturer-employee-of-the-year-awards.

For more information, contact Molly Sutherland at (859) 509-2249. Nominations may be processed online, mailed or faxed. In addition to the nomination form, support materials including letters of commendation or press articles, are encouraged and may also be submitted online. Submit nominations and support materials to Molly Sutherland at m.sutherland@KAM.us.com, fax to (502) 352-2489 or mail to KAM, ATTN: Molly Sutherland, 609 Chamberlin Ave., Frankfort, KY 40601.

How to Nominate a Manufacturer

Using the online nomination form, write an essay of support about the company (your own company, if self-nominated) based on the following three criteria, in three distinct sections:

- Innovation and Entrepreneurial Leadership (50 percent) pertaining to products, production methods or services. Describe on-site production of innovative, award-winning, "world-class" products and/or services; safety programs, unique product designs and/or processes; recognized characteristics such as high-quality products, low defect rates, etc. Emphasis will be placed on Kentucky-driven innovations.
- Corporate Citizenship (30 percent) recognizing leadership in making a key contribution to the quality of life in the commonwealth and/or your community; include the economic impact of the initiative. Describe and list the nominee's "corporate citizenship" and monetary, in-kind or volunteer support efforts. Examples include charitable recipients such as schools, parks, family clinics and not-for-profit organizations.
- Advocacy (20 percent) as demonstrated by promoting the advancement of manufacturing and industry. List leadership roles held in local chambers of commerce, industry trade associations, political action committees, and other groups that advance manufacturing and industry in Kentucky and/or the United States. Include years of participation and leadership positions including committee and board appointments.

How to Nominate an Employee

Using the online nomination form, write an essay of support about the nominee (yourself, if self-nominated) based on the following four criteria, in four distinct sections:

- Innovation (25 percent) contributed by the nominee in the work place, including new ideas and helpful suggestions. Include descriptions of suggestions leading to improved productivity, safety or profitability, for example.
- Teamwork (25 percent) demonstrated by the nominee in eagerly participating in group or team projects, thinking of others and the needs of the enterprise before thinking of self. Using specific examples, describe the nominee's impact on the workplace through teamwork.
- Community Service (25 percent) exhibited by the nominee by giving back to the greater community. Describe how, outside of work, the nominee engages in the community through volunteering for schools, sports teams, public service or civic activities, for example. List all relevant activities, past and current.
- Leadership (25 percent) revealed by the nominee as a positive role model, demonstrating high integrity, ethical behavior, exceptional work habits and a strong character. Give specific examples of the nominee's impact and influence on fellow employees.

Lexington, Louisville Among ‘Best-Run’ Cities

LEXINGTON and Louisville have been recognized among the nation’s “best-run cities,” according to a listing compiled by WalletHub, a personal finance website. The nation’s 150 largest cities were ranked in six categories: financial stability, education, health, safety, economy, and infrastructure and pollution. Lexington-Fayette came in at sixth overall, while Louisville ranked 26th.

Lexington-Fayette, which tied for first place for the most hospital beds per capita, ranked 43rd in financial stability, 12th in education, 11th in health, 55th in safety, 88th in economy and 102nd in infrastructure and pollution. The city ranked sixth in total budget per capita and 27th in overall city services.

Louisville finished 33rd in financial stability, 88th in education, 103rd in health, 86th in safety, 106th in economy and 122nd in infrastructure and pollution. The city ranked 92nd in total budget per capita and 15th in overall city services.

UK Researchers Find Another Use for Bourbon

In Kentucky, bourbon production is both a rich tradition and a booming industry. And as the state’s flagship research institution, the University of Kentucky has now discovered another use for bourbon.

Bourbon stillage – a by-product of the bourbon production process – contains water and grain and is often used as cattle feed in its solid state. But Steve Lipka,

post-processing to convert it into useful materials that can be used for batteries.”

These batteries include carbon-monofluoride batteries, the most energy-dense primary batteries in the world. Applications for these types of batteries include: implantable cardiac pacemakers; electronic devices such as electric, water and gas meters, cameras, computer clocks and memory back-up; data logging and control systems for oil and gas exploration; tire-pressure monitoring systems for automobiles; military communications equipment; and aerospace applications.

The materials may also be used for secondary batteries like lithium-ion, along with electrochemical capacitors, which are complementary storage devices to lithium batteries and ideal for capturing energy from alternative sources like solar or wind.

The stillage is also being used to create cheaper, more effective activated carbons for water filtration with funds from General Electric Appliances in Louisville. These systems could be useful for both consumer products and municipal drinking water supplies to remove chloramine and chloroform.

By using waste products like stillage, Lipka says this research could help bring down production costs and reduce reliance on other, more expensive sources of carbon.

“I think the most exciting thing for me, and for most people, is that you can take a product that is considered waste in many industries, and re-purpose it, or convert it into value-added product that has tremendous utility,” said Lipka. “I would like to get some of the distilleries interested in this and see this have some traction at the end of the day, and turn it into a business. I think it can be done. It would be another wonderful Kentucky story.”



UK's Center for Applied Energy Research (CAER) has partnered with Wilderness Trail Distillery in Danville to convert stillage, a by-product left over during the bourbon production process, into materials that can be used in batteries, capacitors and water filtration systems.

associate director at UK’s Center for Applied Energy Research (CAER) and his electrochemical power sources team have discovered multiple new uses for the liquid portion of stillage and have partnered with Wilderness Trail Distillery in Danville to further test their findings.

Through a process called hydrothermal carbonization, the team has learned that stillage can be transformed into a solid material made up of tiny, uniformly sized particles, also known as green material.

“We take these (green materials),” says Lipka, “and we then do additional



The dining room at Pennyryle Forest State Resort Park is among the many updates slated for the state park system under the “Refreshing the Finest” campaign.

Program Underway to Update State Park Properties

KENTUCKY’S state parks are getting an overhaul over the next two years as part of the state’s newly announced “Refreshing the Finest” campaign.

The funding comes from \$18 million approved this year by the General Assembly. The improvements include structural repairs, painting and interior and exterior upgrades.

Planned upgrades include painting and repairing the exterior of the lodge and convention center at Lake Barkley State Resort Park; lodge repairs and painting at Kentucky Dam Village State Resort Park; painting the tennis center and lodge at Kenlake State Resort Park; repairing and painting cottages at Pennyryle Forest State Resort Park; painting the lodge and cottages at Carter Caves State Resort Park; structural repairs at the lodge at Greenbo Lake State Resort Park; roof and sidewalk repairs at Natural Bridge State Resort Park; lodge and conference center painting and electrical repairs at General Butler State Resort Park; and repairs at the Pioneer Museum at Blue Licks Battlefield State Resort Park.

Much of the work that’s currently underway is being carried out by Kentucky State Park crews, Parks Commissioner Donnie Holland said. Other projects at the 17 resort parks will have to be put out for bid.

“The Kentucky State Parks are glad to have this funding to start addressing some of the needs at our state parks,” Holland said. “It doesn’t cover all of our needs, but it’s a start.”

“Our park system is an important part of our state’s tourism economy with an annual economic impact of \$889 million,” said Tourism, Arts and Heritage Secretary Don Parkinson. “This funding means that these parks receive these much-needed upgrades.”

KENTUCKY PEOPLE

LOUISVILLE: REPUBLIC BANK CELEBRATES WORK OF NOTED KENTUCKY ARTIST/PHOTOGRAPHER FRIEDMAN



Louisville native Julius Friedman, an internationally recognized photographer and the graphic artist behind some of Louisville's most iconic images, unveiled his newest poster on June 23 at Republic Bank's Corporate Center in Louisville. The new poster, along with other 27 other images from Friedman's collection, will be on display at Republic Bank locations in Louisville and Southern Indiana, as an extension of the "Julius Friedman: Fifty Year Retrospective" exhibit that is on display through Oct. 9 at The Frazier History Museum in Louisville. Friedman's work has been exhibited at the Museum of Modern Art, the American Institute of Graphic Arts, and in museums across North America, Asia and Europe. Pictured here at the poster unveiling are (from left) Steve DeWeese, executive vice president of Republic Bank & Trust; Julius Friedman; Brandon Jagers, vice president, senior business banking officer, Republic Bank & Trust; and Andy Treinen, director of marketing, Frazier History Museum.

LEXINGTON: 36TH ANNUAL CHILDREN'S CHARITY CLASSIC RAISES \$370,000 FOR CENTRAL KY ORGANIZATIONS



Dozens of local and national celebrities gathered in Lexington in June to participate in the 36th annual Children's Charity Classic, a golf tournament that raises money to benefit Central Kentucky agencies for children. Here co-hosts Doug Flynn (left), a Lexington native and former player for the Cincinnati Reds, and Matthew Mitchell (right), head coach of the University of Kentucky women's basketball team, present a grant to Barry Stumbo, foundation executive of the Baptist Health Foundation Lexington. Baptist Health Foundation was one of 38 Central Kentucky organizations to benefit from this year's event, which raised a total of \$370,000.

LOUISVILLE: PRICEWEBER AGENCY BRINGS HOME TWO TELLY AWARDS FOR OUTSTANDING COMMERCIAL WORK

PriceWeber, a digital advertising agency headquartered in Louisville, is the recipient of two Telly Awards, the premier award honoring outstanding local, regional and cable television commercials and programs, video and film productions, and web commercials, videos and films. PriceWeber brought home two Tellys, both for commercials produced for Korbel California champagne. Pictured here celebrating the wins with a toast are (left to right) PriceWeber Executive Creative Directors Jeff Van Zandt and Will Cauthen and PriceWeber Vice President and Account Director Robert Trinkle.



FRANKFORT: JUSTICE MARY NOBLE AWARDED FOR SERVICE TO KENTUCKY



Deputy Chief Justice Mary C. Noble recently received the Liberty Bell Award from Chief Justice of Kentucky John D. Minton Jr. for her service to the commonwealth and the Kentucky Court of Justice. Noble serves the Supreme Court's 5th District, which is comprised of Anderson, Bourbon, Boyle, Clark, Fayette, Franklin, Jessamine, Madison, Mercer, Scott and Woodford counties. Noble was elected to the Supreme Court in 2006.

LAWRENCEBURG: RHEA HONORED BY KENTUCKY DISTILLERS' ASSOCIATION



The Kentucky Distillers' Association board of directors has presented its Lifetime Honorary Member award to John Rhea, who recently retired as chief operating officer of Four Roses Distillery. Rhea, who retired after working in the industry for 40 years, is only the seventh person to ever receive the Lifetime Honorary Member title. The KDA has also announced a new endowed scholarship in Rhea's name. Pictured here at the award presentation are (left to right) KDA President Eric Gregory, John Rhea and KDA Board Chairman Chris Morris, master distiller at Brown-Forman.



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