



Tobacco-settlement funds are helping Kentucky cattle producers do a better job of managing their cattle and pastures.

Healthy Alternative

Cattle are the silver lining in tobacco's cloud.

Story & photos by
BECKY MILLS

In Kentucky, farmers have watched their tobacco allotments get sliced more than 50% since 1997. Many of these growers also have cattle, but in most cases the bovines can't begin to make up for the loss of tobacco income.

Enter tobacco-settlement funds. Due to lawsuits, tobacco companies are paying states big bucks to help with medical costs for people with tobacco-related illnesses. However, in many cash-strapped states, the dollars end up covering budget shortfalls. In Kentucky, agricultural leaders, Gov. Paul Patton and members of the state legislature thought that at least part of the money should go back to the farmers who helped earn it. The result is a beef bonanza.

"We're starting in our third year with the tobacco-settlement funds," says Dave Maples, executive vice president of the Kentucky Cattlemen's Association. "As of May 20, \$7,637,022.02 in genetic improvement funds has been distributed in 102 counties. This is cost-share money. With the money the producers

put in, that is over \$14 million spent on bulls."

More than \$11 million has been distributed in 93 counties for cattle-handling facilities, he continues. Ninety-six counties have participated in forage improvement, using more than \$14 million.

Oakland, Ky., Angus breeder Larry Mills invested his tobacco-settlement dollars on all three programs — genetics, facilities and forages. With the cost-share money, he's purchased quality semen; put in a squeeze chute, palpation cage and sweep tub; and fertilized and limed his pastures.

"With this equipment I can do a better job with AI (artificial insemination) and working my herd," he says. Since he usually handles his cattle alone, the working facilities were needed even more. "I couldn't freeze-brand before, now I'm set up to do that," he adds.

Mills emphasizes, "I'm serious about raising good cattle, and AI will help me greatly with that."

Because of the tobacco funds, he also says he was able to fertilize and lime according to soil test recommendations.

“That’s the first time in my life I’ve been able to do that,” he says.

Similar program in Ohio

Ohio’s 13 tobacco-producing counties have a program similar to Kentucky’s, although only producers who have a tobacco allotment are eligible for cost-share funds. Brian Michael was thrilled to use the money to boost the bull power in his 200-cow commercial herd.

“Most people bought the same quality bull they usually do, but used the settlement money to pay for half. I bought a \$4,000 bull. I figured this might be the only chance I’d get to buy a bull of that quality,” says the Hillsboro, Ohio, producer.

Michael says the Angus bull is out of a well-known sire and has a low-birth-weight (BW) expected progeny difference (EPD) and top carcass numbers. “He has good eye appeal, too,” he comments.

He also bought two Angus cows. “The cows would probably be on the low end of some purebred herds, but they are on the high end of my cow herd. They really helped,” Michael says.

Michael didn’t stop with genetics. “We’ve done a good bit of fencing and built a barn with the cost-share money,” he says.

Facility upgrades

Joe Estes, Smiths Grove, Ky., used his share to upgrade his facilities. “We used \$1,250 of settlement money to improve our working facilities and added \$1,250 of our own. We already had a working chute, but I put up guardrails around the feeding area. Now, when I wean, I’ve got the calves surrounded by the guardrails, and I don’t have to worry about them getting out.”

Rockfield, Ky., producer Darwin Heard tore out his old scales, replaced them with electronic scales and built a bigger platform, and added a tub system.

“We have taken advantage of what we can get,” says Heard, who runs a

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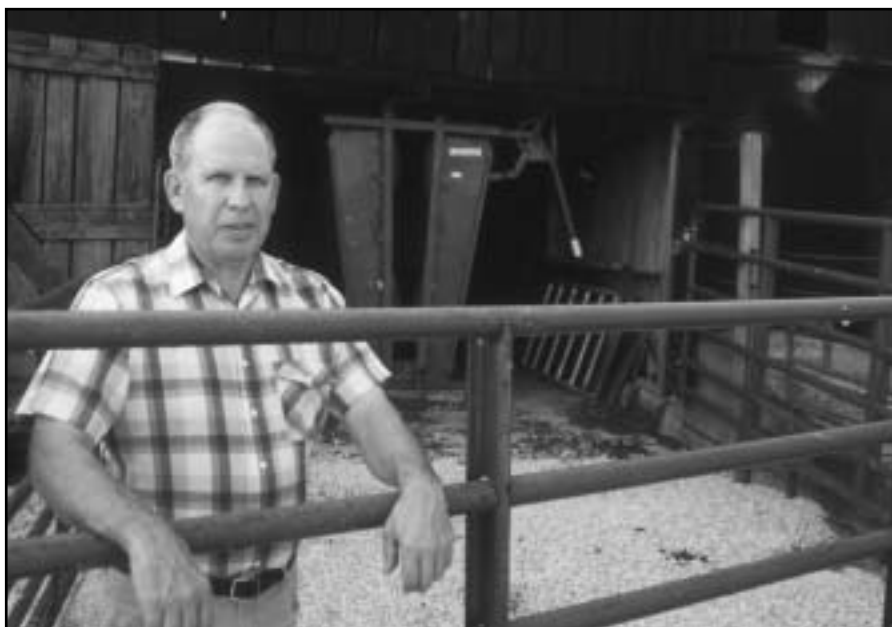
Joe Estes, Smiths Grove, Ky., says tobacco-settlement funds are good for Kentucky’s cattle industry.



Estes used tobacco-settlement funds to buy guardrails to put around his weaning and feeding area.



Darwin Heard, Rockfield, Ky., used tobacco-settlement funds to upgrade his working facilities.

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Larry Mills, Oakland, Ky., put in new working facilities with tobacco-settlement funds.

cow-calf and feeder-calf operation with his family.

The cost-share money for facilities has helped give the state's Certified Preconditioned for Health (CPH-45) feeder-calf sales a boost.

"The tobacco money has had a dramatic effect," says John Stevenson, director of the Kentucky Beef Network (KBN). "In four years, the number of calves sold through CPH-45 sales has

shot from 8,000 head annually to 40,000 this year.

"Some counties require that a producer qualify for CPH-45 sales to get the facilities cost-share money," he explains. "In other counties, producers have to actually participate in CPH-45 sales to get the money."

Personal assistance

Stevenson says facilities cost-share

money isn't the only force boosting CPH sales. KBN, a tobacco-funded coordinating group, is housed in the state cattlemen's office and has hired facilitators across the state to work with producers one-on-one.

"They can go out and visit with producers before the sale and have frank discussions with them about the grading process," he explains. "They can tell them what to expect."

He also says the facilitators are doing their part for quality assurance (QA) in general. "We're trying to reach people who don't come to cattle meetings," he notes.

In western Kentucky, Stevenson says, a woman fairly new to the cattle business has an employee who was having trouble learning to band calves. "She brought her employee to Jeff Settles' farm, one of our facilitators, and he showed the employee how to band on his own calves," he adds.

Genetic impact

The tobacco funds have also increased producers' genetic knowledge. "The tobacco program did more to help make more people pay attention to EPDs than any single thing we've done in Extension," says John Grimes, a Hillsboro, Ohio, purebred Angus breeder and an agriculture and natural resources county agent.

In Ohio, a bull has to exceed breed average EPDs in three traits before he is eligible for cost-share money. "This has done a lot to educate tobacco growers

who also have cattle but didn't pay a lot of attention to the numbers before."

In Kentucky, bulls have to meet or exceed EPD standards set by the University of Kentucky (UK) Cooperative Extension, although county committees can modify the standards.

Whether the money is used for genetics, facilities or pastures, Michael says it is a needed boost. "We've made a lot of improvements — not only me, but the whole community. I've seen more fences built around here the last two years than I've seen in my lifetime. And it was land that needed fencing. It didn't need to be in row crops, but the fences were too bad to use for pasture, and people couldn't afford to build new ones."

He adds, "Coming up with the other half of the cost-share money is tough sometimes, but it will be good in the long run."

Estes agrees about the long-term benefits. "With better working facilities, more people will be more willing to give the needed vaccinations," he says.

Maples says the positive effects are showing now. "I can already see the impact. Look at the difference in the numbers of calves in the CPH-45 sales — it is awesome," he says. "It will take a couple of years to really see the effects on the quality of the cattle, but with the genetic programs we've put in place and the cattle-handling facilities, there has to be a carry over."

