



## Kansas Department of Agriculture

Committed to serving,  
promoting and growing  
the state's largest industry.

Secretary Mike Beam  
January 8, 2020

**Kansas**  
Department of Agriculture  
SERVING  
THE STATE'S  
LARGEST INDUSTRY...  
AGRICULTURE

## Topics

- Role of the Kansas Department of Agriculture
- Growth strategies for the soybean sector
- November 2019 trade mission to Taiwan
- Front burner topics and projects



2

## Agriculture in the Kansas Economy

- What is agriculture?
- Includes traditional economic contributions from beef cattle ranching, wheat, corn, sorghum, soybeans and dairy.
- Also includes landscape and horticultural services, pet food, farm machinery manufacturing, food processing and more.



3

## Contribution to the Kansas Economy

- 68 agriculture, food, and food processing sectors are identified in the state economy out of 536 sectors
- The direct contribution is \$46.9 billion
- The total contribution is \$65.7 billion



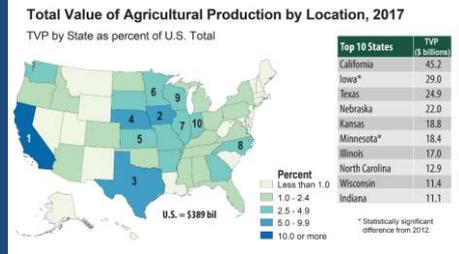
4

## Contribution to the Kansas Workforce

- Agriculture contributes to the workforce 245,539 jobs, or 12.7% of the workforce
- Family-owned farms and ranches are the backbone of Kansas agriculture:
  - 84.6% family
  - 6.2% partnership
  - 5.3% corporation
  - 3.8% other-cooperative, estate or trust, institutional, etc.



## Where Does Kansas Stand?

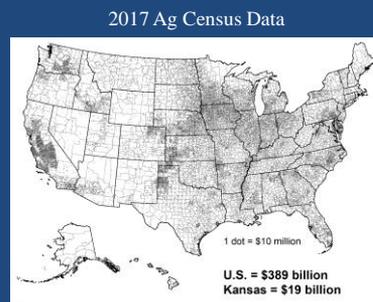


## Where Does Kansas Stand?

- 1<sup>st</sup> in sorghum production with 233 million bushels
- 1<sup>st</sup> in winter wheat production with 277 million bushels
- 2<sup>nd</sup> in cropland with over 29 million acres
- 3<sup>rd</sup> in cattle and calves inventory with 6.35 million head
- 10<sup>th</sup> in soybean production with 204 million bushels



## Total Value of Ag Production by Location



## Total Value of Ag Production by Location

Top 10 Counties in Kansas

Top 10 Counties	TVP (\$ millions)
Haskell	1,159
Scott	1,135
Gray	991
Finney	823
Grant	814
Wichita	559
Ford	515
Seward	425
Barton	366
Sheridan	349



## KDA's Ag Growth Strategies

## Soybeans & Oilseeds Sector Findings

- Oilseeds are a successful crop in dryland regions, and advancements continue to make them more efficient through genetics and crop management systems.
- Demand is strong for oilseed products domestically and internationally, and production would grow even more if Kansas had additional processing options in the state.
- The lack of additional processing plants means oilseeds are shipped out of state for further processing, leading to lower prices at the farm level.
- Efforts to recruit new businesses, especially processing plants, would benefit current and future growers.
- Collaboration with industry organizations and agricultural researchers could contribute to technological advancements and public outreach, which will need to work together.



## Key Successes in the Industry

- Through partnership with the Kansas Soybean Commission, Victory Renewables in Garden City now has the ability to blend biodiesel to customer specifications.
- In 2019 Cargill opened a state-of-the-art biodiesel plant in Wichita, a \$90 million investment that will produce 60 million gallons of biodiesel annually.
- The Kansas Soybean Commission participated in the Kansas Pet Food Forum to promote use of Kansas grains in pet food.



## High Priority Desired Outcomes

- Increase demand for Kansas soy products (higher protein content) domestically and internationally
- Faster regulatory approvals for inputs imperative to oilseed production
- Help provide clear, factual information about GMOs
- Reduce basis by promoting the expansion of in-state oilseed processing
- Support growth in the pork, poultry, beef and dairy sectors in Kansas through participation in each sector's growth strategy



13

## U.S. Soybean Export Council Taiwan Outlook Conference & 50<sup>th</sup> Anniversary November 2019

## Key Takeaways from USSEC Trip

- Because of their population of 23 million people, Taiwan relies on imported food. 31% of their imported goods come from the U.S.
- Taiwan is the United States' 8<sup>th</sup> largest export market
- Taiwan imports about 800 million metric tons of soybeans from the U.S. annually
- Taiwan was an early adopter in using the large metal shipping containers to import soybeans into their country. The U.S. has 70% of the non-GMO market in Taiwan.



15

## Key Takeaways from USSEC Trip

- Soybean "crushers" have consolidated in recent years with two crushers doing most of the country's soybean processing. One of these crushers is government-owned.
- A spokesperson from the privately-owned crusher showed data comparing U.S. soybeans to other exporting countries, including Brazil. The U.S. soybeans arrive with less debris and fewer incidences of mold.



16

## Key Takeaways from USSEC Trip

- While the older generation is quite fond of Americans and proud of their heritage, the younger generation is more skeptical about world sustainability and GMOs, much like the youth of America.
- Sustainability is becoming an important initiative in Taiwan. Their stock exchange requires companies traded on their exchange to include their sustainability policies and activities in their annual corporate report.



17

## Key Takeaways from USSEC Trip

- Taiwan government officials are diligent in keeping African Swine Fever from entering their country and have learned import/customs procedures from USDA officials.



18

## Front Burner Issues & Projects

## International Trade

- In 2018, Kansas exported over \$3.8 billion worth of agricultural goods.
- The top three trade partners are Mexico, Japan, and Canada.
  - The three countries together purchase over 60% of Kansas' total exports.
- For the 5 years prior to 2019, the average value of Kansas' annual exports to China was just over \$457 million.
  - In 2017, ag trade with China totaled just over \$142.5 million with top commodity categories being cereal grains, oil seed and meat.
- Governor Kelly has expressed support for trade deals that support the Kansas farmer.



20

## International Trade Issues

- US and Japan signed a deal liberalizing the Japanese market to US producers in September.
  - Went into effect January 1, 2020
- US and Chinese government have announced a “Phase 1” agreement on trade with China.
  - The only announced details include China purchasing \$40-\$50 billion worth of American farm products.
  - These are early agreements; nothing has been signed.
- The House has passed the vote on USMCA.
  - The Senate version has been read twice and referred to the Senate Finance Committee.

21

## Office of Rural Prosperity

- Lt. Governor attended 12 listening sessions
- Has hired two Office of Rural Prosperity staff to devote time to policy issues of importance to rural prosperity
- Thus far, there has been discussion about housing, health care, jobs and broadband access



Kansas  
Department of Agriculture

22

## A Case for Rural Broadband

“Broadband in rural America will be as transformative in the 21<sup>st</sup> century as rural electrification was in the last century.”



- U.S. Secretary of Agriculture  
Sonny Perdue

Kansas  
Department of Agriculture

23

## Kansas Ag Stress Resources Website

- [www.kansasagstress.org](http://www.kansasagstress.org)
- Provides resources farmers and ranchers need to help cope with ag-related stress
- Resource sections are tailored to different demographics and type of assistance needed
- Regional concern hotline for free 24/7 support



Kansas  
Department of Agriculture

24



Questions?

[www.agriculture.ks.gov](http://www.agriculture.ks.gov)

Secretary Mike Beam  
785-564-6700

**Kansas**  
Department of Agriculture

SERVING  
THE STATE'S  
LARGEST INDUSTRY...  
**AGRICULTURE**