

Kansas Soybean Commission
February 9, 2016
Report to the Kansas Senate

Chairman Love and members of the Kansas Senate agriculture committee:

I am Dennis Gruenbacher. My family farms in Sedgwick County, and I am chairman of the Kansas Soybean Commission. I am here today with our administrator, Kenlon Johannes, and communications director, Brad Parker.

All U.S. soybean farmers participate in a checkoff, contributing a half-percent of the price we receive for each bushel, which is collected at the first point of sale. Half of all checkoff dollars collected in Kansas remain here and are controlled by the Kansas Soybean Commission. Nine of us soybean farmers are elected by our peers in our districts through a process the Kansas Department of Agriculture conducts. We volunteer our time to serve on the Commission and oversee the investment of checkoff funds in projects to benefit our industry. In fiscal year 2015, as you can see on page 3 of the *Soy Notes* newsletter in your handouts, our net collections were about 3.4 million dollars, and we disbursed almost 4 million dollars.

The checkoff continues to provide soybean farmers with a self-directed, efficient and effective program for research and development on both the state and national levels. We overwhelmingly see the value in our checkoff. In fact, Texas A&M University calculated in 2014 that it returns 5 dollars and 20 cents for every dollar invested.

The handouts also include our latest marketing plan, which summarizes this fiscal year's program, and a list of the partner organizations we have joined to leverage our time, talents and financial resources. A summary of our funded research is included, and those priorities are soybean genetics, utilization, pests and diseases, nutrients, weeds, and management systems. We recently have funded studies of charcoal rot disease at Wichita State University and high-oleic soybean oil at Pittsburg State University. We also have ongoing projects in agronomy, plant pathology, entomology and grain science at Kansas State University and biodiesel projects at the University of Kansas.

International market development is crucial to our future. About 60 percent of soybeans are exported; therefore, overseas markets play a big role in our profitability. U.S. soy has the fewest trade barriers among all world agriculture exports, allowing soybeans to have more access than other commodities. The U.S. soybean industry has taken advantage of that. Total U.S. soybean exports have more than doubled since 1986, from 757 million bushels to 1.8 billion bushels in 2014. China is our biggest customer, spending almost 15 billion dollars on U.S. soy in 2014. The Commission's

international marketing efforts primarily are enacted through the IGP Institute at K-State and the U.S. Soybean Export Council. We also work with export-marketing representatives within the state and federal governments.

Turning to education, we proudly support K-State's Summer Science Institute and the Kansas Foundation for Agriculture in the Classroom, providing more than 10,000 dollars each year to maintain educational resources and provide new delivery methods and lesson plans for Kansas teachers. Our own consumer-information program tells the public about convenient, healthful soyfoods and promotes industrial products like soy-based inks, adhesives, paints, stains, sealers and insulation. Our greatest success story in that area is biodiesel, which helps drive demand for U.S. soy oil and plays an important role in the nation's overall energy strategy by fueling state and municipal governments, school districts, the Defense Department, farming and mining equipment, cruise ships, commercial motor carriers, and home heating systems.

Domestic livestock industries use almost all of the U.S. soybean meal, and soybean demand is linked closely to those industries. Animal agriculture in Kansas used about 414,000 tons of soybean meal in 2013. If you enjoy meat and dairy, you can thank a Kansas soybean farmer. We are working closely with other organizations to educate Kansans about the social and economic importance of animal agriculture in our state and nationwide to help ensure its viability.

To address misconceptions about modern agriculture and today's farmers, we continue to work with the Kansas Corn Commission to facilitate the CommonGround Kansas program. We have eight volunteers across the state to answer questions, share facts, dispel myths, tell their personal stories, and build trust in America's farm families and food system as part of a national movement of farm women.

Currently distributed as an insert in the *Kansas Farmer* magazine, the quarterly newsletter in your handouts is just one example of our efforts to get the latest, most relevant information to our farmers. Seven radio stations, three TV stations and the K-State Radio Network broadcast our weekly *Kansas Soybean Update*, and we frequently contribute to the *Ag A.M. in Kansas* and *Kansas Ag Report* TV programs. We also have a website, social media and smartphone app.

In cooperation with the Kansas Soybean Association and K-State Research and Extension, we provide the annual Kansas Soybean Yield and Value Contests and Kansas Soybean Expo. They allow us to share information that can help Kansas soybean farmers raise higher yielding and more valuable soybeans. Please mark January 11 on your calendars; we would be glad to have you join us at Expo 2017.

Our administrative budget includes the cost of collections, audits, elections and other Commission expenses. An outside, accredited accounting firm audits KSC's financial records each year, ensuring checkoff dollars are spent according to acceptable, efficient business practices. Our complete FY 2015 audit is available at your request, and the handouts include several financial statements from the last two audits. In addition, we are audited for compliance with USDA regulations every three years by the United Soybean Board – the national checkoff organization overseen by 70 farmer-directors, including three Kansans.

As always, it is a pleasure to share this brief synopsis with you. More specifics are available at your request. On behalf of the state's soybean farmers, who generated 1.4 billion dollars in farm receipts from the 2014 crop, please accept our gratitude for your continued support. Thanks, also, for your service to our great state. Are there any questions about how our soybean checkoff continues to provide "progress powered by Kansas farmers"?

Dennis Gruenbacher, chairman
Andale, Kansas

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