

MINUTES OF THE House COMMITTEE ON Agriculture and Livestock

The meeting was called to order by the Chairman, Bill Fuller at  
Chairperson

9:00 a.m. on February 22, 1984 in room 423-S of the Capitol.

All members were present except:

Representatives Teagarden and Solbach, who were excused.

Committee staff present:

Raney Gilliland, Legislative Research Department  
Kathleen Moss, Committee Secretary

Conferees appearing before the committee:

Bill Phillips, Fort Hays Experiment Station  
Dr. Charles Deyoe  
Dr. Hyde Jacobs, Cooperative Extension Service, Kansas State University  
Dr. Gary Allee, Swine Nutritionist, Kansas State University  
Jim Maag, Kansas Bankers Association  
Morris Krug, Kansas Association of Wheatgrowers  
Lowell Burchett, Kansas Seed Dealers

The meeting was called to order by the Chairman, who announced that two days had been scheduled for hearing House Bills 2971, 3006 and 3007, concerning funding for research into the non-feed, non-food aspects of wheat marketing, wheat classifying, alternative crop research, and the cooperative extension program.

Rep. Polson, sponsor of HB 2971, explained the intent and effect of the proposal. (See Attachment 1.)

Rep. Johnson was recognized to discuss HB 3006 and HB 3007. He was instrumental in the introduction of the bills. Rep. Johnson distributed a prepared statement. (See Attachment 2.)

Staff was asked to brief the committee concerning the contents of the bills. It was noted that these two bills are a step toward meeting the needs of Kansas agriculture. HB 3007 is primarily an appropriations bill, making provisions for Kansas State University in various areas, and for the State Board of Agriculture for an analyst in the marketing division.

Bill Phillips of the Fort Hays Experiment Station was recognized, and he introduced Dr. Charles Deyoe who distributed prepared material. (See Attachment 3.) Dr. Deyoe testified that more objective test methods were needed for world-wide use. He noted there are different technologies available to help identify characteristics of the different varieties of wheat.

Dr. Hyde Jacobs of the Cooperative Extension Service at Kansas State University discussed alternative crops and extension aspects. Pages 3 and 4 of Attachment 3 were used as the outline of his remarks.

Dr. Gary Allee, Swine Nutritionist at Kansas State University, discussed the feeding of wheat as a nutritional ingredient. See Page 8 of Attachment 3.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Agriculture and Livestock,  
room 423-S, Statehouse, at 9:00 a.m./~~p.m.~~ on February 22, 1984

Jim Magg appeared for the Kansas Bankers Association in support of HB 2971. (See Attachment 4.)

Morris Krug, Secretary-Treasurer of the Kansas Association of Wheat Growers, appeared in support of HB 2971, but stated his Association supports all three bills. (See Attachment 5.)

Lowell Burchett, Kansas Seed Dealers, testified in support of the three bills. He stated that Kansas State University researchers have given a beneficial return on funding investments, and these bills would provide still more benefits.

The committee questioned conferees concerning the various aspects of wheat as feed for cattle.

The meeting was adjourned at 10:00 A.M. The next meeting will be Thursday, February 23, 1984 at 9:00 A.M.

TESTIMONY ON BILL #2971

House Agriculture and Livestock Committee - February 21, 1984

Mr. Chairman, Members of the Committee:

Kansas State University as a land-grant institution is the college of agriculture and applied sciences and to that end most of us would agree that they have carried out that edict as their title indicates. However, it appears that during the past few years the emphasis to fields other than agriculture and its related industries has grown perhaps in part due to addressing other fields of endeavor all of which are necessary, but perhaps to the diminution of agricultural emphasis.

Agriculture has been the number one industry in this state since its inception. It comprises a good share of the total industry that originates in this state and it serves to provide employment and as a tax base to give impetus for the advancement of our people and the things that all Kansans appreciate and hold dear. The obvious reason for this bill comes from the need to be flexible and to preserve our economy and our ability to produce crops that can be marketed and crops that can enhance and maintain the economic status of our number one industry. We have too long addressed our resources to the production of certain crops which while still being used extensively throughout this country and the world show visible signs of deteriorating markets in spite of vigorous and continued effort by organizations such as the International Grain Program and other related commodity marketing associations, both nation and worldwide.

These marketing organizations are dedicated to providing every available market possibility and have developed expertise which exceeds some of the fondest dreams of some of us who early on welcomed this effort. Without continuous work to this end, Kansas agriculture would certainly have been the poorer for it. On the other side of the coin our extension department and plant technology have provided Kansas farmers with expertise enabling

him to have crops to grow that at least kept him in competition. This would never have ever been possible without the carrying out the applied science portion of the land grant directive.

The purpose of this bill is to address the ability to produce and continue to produce a present crop in volume and profitably.

The introduction of new concepts for agriculture in the coming years is necessary to fill a void that is rising in the agriculture sector, especially in the west - that of dwindling water potential as much as the rising cost of using such water.

The continued supply of feed to an enormous industry already in place and which in turn provides for the economical well-being of slaughter houses, trucking, and all the other related industries as well as market for farms all over the state is imperative.

These feed lots are a ready-made source of market for about any and all feed crops that can be grown within the immediate areas. A good feed wheat would provide a ready source of feed stuffs and rather than having to look to markets five to ten thousand miles away from the point of production would enable us to utilize markets immediate to the area where the crops are produced.

Yield potential of field wheats which are now produced in some states in the country appear to be over and above that of our hard red winter wheat. This bill would call for development and producing feed wheats which would achieve that type of yield and be a good, steady and profitable source of feed stuff for the livestock industry or any other ready industry that uses grains in its production capacities. It appears that the Kansas farmer, if he is to have any hope of survival, must have the ability to shift his emphasis while there are still a couple of gears left in the transmission. Wheat has been widely fed this year because it has been the cheaper of the grains available to the livestock industry in the midwest. Our emphasis should be on producing an even better feed than we now provide, with a higher yield in order to make an attractive replacement for high-water usage and insect-prone crops which are profitable to grow and use.

The time to avert crisis always appears long before that crisis becomes eminent. The trick is to recognize it while we know this is not a cure-all it assuredly would provide a few bricks in the foundation of western agriculture as well as throughout this state. Wheat is a simple crop to grow. It dies and lives again. Somehow we always seem to produce more than the market can handle.

This bill is an effort to supply that market with a dependable grain source, profitable to grow and profitable to use.

STATE OF KANSAS

LEARY J. JOHNSON  
REPRESENTATIVE, 118TH DISTRICT  
LOGAN, GOVE, GRAHAM, TREGO  
AND PARTS OF NESS AND ROOKS COUNTIES  
1000 WARREN AVE  
WAKEENEY, KANSAS 67672



TOPEKA

COMMITTEE ASSIGNMENTS  
MEMBER AGRICULTURE AND LIVESTOCK  
INSURANCE  
TRANSPORTATION

HOUSE OF  
REPRESENTATIVES  
February 22, 1984

Mr. Chairman and Members of the Committee:

I first want to thank each of you in supporting the introduction of HB 3006 and 3007.

I do not need to point out to the Committee the dilemma confronting the agriculture sector. Most of us are engaged in farming in one way or another, and are personally familiar with the situation in rural America. I am convinced, however, that the majority of Americans do not understand or want to understand our crisis. The word crisis may be a poor choice of words at this point because for many it is a matter of survival.

I believe it important that Kansans know that agriculture is, and always will be, their number one industry. As agriculture goes, so goes the State of Kansas. In these past few years, we have become well aware of the declining state of agriculture in Kansas. This has caused a decrease in taxable income with the resultant need for increased taxation.

Consequently, as a legislature, we now appear to be scrambling to keep up with the many financial demands placed on us each year. We suddenly find that filling the treasury here in Topeka has a higher priority than stimulating the economies back home. We soon forget that prosperous local economies spurs a prosperous state economy. I remind you that the reverse of this philosophy cannot work and soon can lead us into playing catch-up and being what can be termed a welfare state. The thing to ask is, who is going to pay the bill, -business. Believe me, business, at least in my neck of the woods, is not in any better shape than agriculture.

The theme of my speech this morning is that agriculture, and the people engaged in agriculture, are hurting. Many farmers and associated businesses, have already disappeared. I believe it is safe to say that if something isn't accomplished immediately, the very existence of our state is at stake.

Page 2  
Leary J. Johnson  
February 22, 1984

Again, you and I as members of this committee, are aware of the situation. We are also aware of the contribution of agriculture to this state. Yet, agriculture appears to be very insignificant to Kansas. A good example for instance, is the amount of the state budget, which is devoted to agriculture. This figure is less than 1% of the total state budget. Agriculture represents a 6 billion dollar a year industry for the state of Kansas, which is roughly twice the total budget of the state. However, we continue to see declining receipts, with the Kansas net income per farm falling below the poverty level. When we compare the total farm income invested, we can well understand the problem and foresee the future, unless some type of immediate action is initiated.

Now what does all this rhetoric mean in conjunction with HB 3006 and HB 3007? Essentially, both bills are designed to bring profit and prestige back to farming. They recognize the need to expand and discover new markets, direct extensive research, and encourage diversification. As farmers, and as an agricultural state, we can no longer put all our eggs in one basket. We must capitalize on advanced technology and make our own markets; we must be capable of competing on an international scale. All these ideas and pursuits are addressed in the two bills before you and I certainly don't intend to go through each line item. However, I do solicit your support in setting policy for agriculture and for the State of Kansas, and will be happy to answer questions.

WHEAT UTILIZATION: NONFOOD AND NONFEED USES

Justification

Kansas produced over 400 million bushels of wheat in four of the last five years. Using today's technology, Kansas farmers could produce even more wheat and with tomorrow's technology no one knows the limit. Only 25% of the Kansas wheat crop is used in the United States. Practically speaking, wheat consumed in the States is for food. Large quantities of wheat are available as a renewable resource.

Investigations are needed to find new uses for the purified components, such as glutenin, gliadin, starch, oil, fiber, gums, and phenolics, all of which have unique properties. Uses for these components will expand the demand for wheat. In the wet-processing of wheat, conditions will be established so no biodegradable effluent leaves the process. Biodegradables will be converted to alcohol and feed.

Wheat used domestically is presently dry-milled into flour, germ, and bran. Those milling products are mixtures of protein, carbohydrates, fats, phenolics, and fiber. The mixed composition of those products limits their use.

Wet-milling of wheat can provide products of singular composition, such as proteins, starch, oil, fiber, and phenolics. The wet-milled products or their modified forms may find uses in textiles, paper, and specialty products. Information must be developed on processes to isolate and purify the chemical constituents from wheat.

In today's market, wheat gluten is a desirable product that brings a premium price. It will be difficult to find industrial uses for gluten. The fundamental properties of all the proteins in wheat will be studied with the objective of finding high-value uses for these unique substances.

In spite of strong demand for wheat gluten, wet-processing of wheat has not been attractive in the past because of limited uses for wheat starch (70% of kernel) and because of the large amounts of biodegradables in the washing streams. Corn starch is less expensive than wheat starch, and corn starch is used where the unique properties of the raw starch are destroyed or are not important. However, wheat starch is preferred over corn starch in a number of applications. An extensive research effort must be made to develop more uses of wheat starch.

The water soluble and "B" starch fractions from wheat contain potentially valuable gums. Presently, those streams pose a major disposal problem. Methods to isolate and develop uses of those fractions will be investigated. An alternate approach is to use those two fractions as fermentation substrate to produce ethanol, acids, or other organic feedstocks. Any fermentation residues can be concentrated and fed directly to animals.



Program of Research

1. To establish environmentally sound processes to wet-mill wheat to give purified gluten, starch, bran, germ, and gums.
2. To investigate the combination of wet-milled wheat by-products as substrate for fermentation into alcohol and organic acids. The use of the fermentation residues will be examined for use in feed.
3. To find new uses of the purified wheat components in various industries, including pharmaceuticals, paper, textiles, adhesives, and others.

Budget

	<u>FTE</u>	<u>AMOUNT</u>
Research Associate	1.0	\$ 20,000
Students-Graduate Res Asst	4.0	32,000
Other Operating Expenses*		48,000
<u>TOTAL</u>		<u>\$100,000</u>

---

\*OOE will be in accordance with the following schedule:

200

243 Service contracts, equipment	\$6,000	
243 Equipment, maintenance	4,000	
250 Travel and subsistence	1,500	
248 Repair and service computer	<u>2,500</u>	
	\$14,000	\$14,000

300

369 Laboratory supplies	\$10,000	
349 Data processing supplies	<u>2,000</u>	
	\$12,000	\$12,000

400

404 Professional and scientific equipment	\$21,000	
418 Books and library material	500	
411 Computer system software	<u>500</u>	
	\$22,000	\$22,000

ACCELERATED RESEARCH WITH  
ALTERNATIVE CROPS  
Colby Branch Experiment Station

Justification For many years the Kansas Agricultural Experiment Station has done research on promising new alternative crops. Many of the current major crops were not immediately successful when introduced into Kansas, and the favor of others fluctuates with the surplus and price status of the standard crops. Research on alternative crops has had meager funding because support for research on major crops has been marginal. New funding in the amount of \$50,000 would make it possible to accelerate and enhance ongoing work with alternative crops.

Program of Research The major thrust of the accelerated program would be with winter barley, oilseeds, and testing of new germplasm as follows:

1) Winter barley matures 7-14 days earlier than winter wheat. Double cropping should be much more feasible following barley than wheat. Work is proposed to study potential crops for doublecropping and related cultural practices with emphasis on sunflowers and soybeans. Efforts will also be directed to cultural practices that improve winter survival of barley, dryland as well as irrigated. In absence of winter killing, winter barley averages about 70-85 bu./acre on irrigated ground.

2) Oilseeds research will be expanded to include more cultural practices in addition to identification of superior germplasm. Cultural information is short on sunflowers and almost totally lacking on soybean and rapeseed. Because of its small seed, rapeseed presents unique challenges in stand establishment. There is no current information on seeding rates, row spacing, or fertility requirements for this area.

3) Contacts with scientists in adjacent states will be made and efforts increased to obtain data and/or germplasm of other crop species which appear to have promise for the area. Potential new crops will be grown to determine usefulness and potential. This approach is fairly long range and should involve marketing research if initial trials indicate crop potential.

Budget

Salaries		
	Research Assistant, temporary	\$18,000
	Farmer II	15,600
	Temporary summer help	6,000
Supplies		8,400
Travel		2,000
		<hr/>
		\$50,000

ACCELERATED RESEARCH WITH  
ALTERNATIVE CROPS  
Hays Branch Experiment Station

Justification For many years the Kansas Agricultural Experiment Station has done research on promising new alternative crops. Many of the current major crops were not immediately successful when introduced into Kansas, and the favor of others fluctuates with the surplus and price status of the standard crops. Research on alternative crops has had meager funding because support for research on major crops has been marginal. New funding in the amount of \$50,000 would make it possible to accelerate and enhance ongoing work with alternative crops.

Program of Research The major thrust of the accelerated program would be in the areas of sunflower breeding and production. Breeding efforts would be intensified to accelerate the development of adapted varieties and/or hybrids that are resistant to important diseases and, if possible, resistant to insects. This work would involve a plant breeder, a plant pathologist and an entomologist. Projected available funds would be sufficient to pay the salary of one additional technician and purchase some supplies. This would represent only a fairly small part of the funds now being expended for sunflower breeding research. It should be pointed out that breeding research and development of superior lines is a long term project. Significant results might not be apparent for several years.

Management research would be conducted in the areas of soil management, including rate and date of planting, fertilization, use of the crop in rotations, weed control, and insect and disease control. Increased funding would be used to supplement work now being done. The major expenditure would be to pay the salary of a research assistant.

In addition to the sunflower research, test plantings of other crops would be made. Contacts through printed reports, professional meetings, correspondence with other research agencies (both inter- and intra-state) would be utilized to locate promising crops and/or techniques.

Budget

Research Assistant (Temporary) (2 @ \$17,000)	\$34,000
Temporary labor (summer help)	10,000
Travel	3,000
Miscellaneous supplies (pollinating bags, greenhouse pots, etc.)	3,000
	<hr/>
	\$50,000

**IMPROVEMENTS AND ENHANCEMENTS  
FISCAL YEAR 1985**

**TITLE: ALTERNATIVE CROPS EXTENSION**

Assistant Professor	1.0	\$32,000
Secretary	.3	3,100
Benefits		6,669
Other Operating Expenditures		<u>9,000</u>
		\$50,769

**REQUEST:**

This request is to establish an Extension thrust at Kansas State University in producing new or alternative crops. Because of depressed prices, government programs and the need to diversify; many farmers are utilizing or would like to utilize new or alternative crops for which production, harvest, storage and marketing conditions are not well established or known. Establishment of an Extension educational program focused on newly introduced crops/cropping systems would greatly improve the success rate, decrease production and processing risks, and allow greater diversity in crops available to Kansas farmers.

**REASONS FOR THE REQUEST:**

Grain production in Kansas has been dominated by four crops - wheat, corn, sorghum, and soybeans. Those crops are now in plentiful supply and when prices are depressed, farmers need alternative crops and alternate cropping systems so production can be diversified and profitability improved. The risk associated with producing new or alternate crops is high because farmers are not familiar with required production practices, harvest, storage requirements, and markets. The risk associated with new crops adaptability; seedling establishment; yield; soil fertility; weed and pest problems; harvest, storage, and processing requirements.

**OBJECTIVES:**

1. Establish an Extension thrust at Kansas State University in the production of newly introduced or alternative crops.
2. Implement educational and demonstration programs, based on research and factual data, for establishing, producing, and marketing new and adaptable crops in Kansas.
3. Search experimental results worldwide to discover adaptable crops for use in Kansas and encourage the needed research, development, and Extension programs to insure successful introduction, production, and marketing.

**IMPACT:**

Soybeans and grain sorghum are notable examples of the successful introduction of alternate crops in Kansas. Those crops are so successful that few remember that they were once oddities in Kansas. The combined farm value of soybeans and sorghum now exceeds \$780,000,000 annually. A well-coordinated program of crop introduction, improvement, production, and marketing will greatly enhance the opportunity for producers to profitably utilize the full production potential of Kansas farms.

## DEVELOPMENT AND EVALUATION OF WHEAT HARDNESS TESTS

### Justification

This proposal seeks funds for a program designed by departments at Kansas State University to develop information and recommendations on problems affecting marketing and market values of Kansas grain. This will insure that Kansas can continue to share and expand its share of the foreign grain market. A 1% improvement in the market share of the foreign grain trade would result in more than a \$10 million increase in cash flow for Kansas. Kansas grains, wheats in particular, are under fierce competitive pressure in the world market. Of great concern for the future is the inability of grain inspectors to visually distinguish some of the newer wheat varieties. This problem could result in misclassifications leading to discounts or loss of sales volume for Kansas grains. Hence, fast, accurate, objective methods must be developed to determine grain hardness.

### Program of Research

Kansas State University departments that would be involved in this program would include Grain Science and Industry, Agricultural Engineering, and Physics. Three approaches to the problem of objectively determining the functional and performance properties related to "hardness" will be pursued. These involve light scattering of ground samples, the chemical cause, and the measurement of hardness by individual kernel automated testing as described below:

1. Adaptation of existing test equipment (grinders and near infrared analyzers) to aid in objective discrimination between hard and soft classes independent of visual appearance or shape. This involves particle size distribution upon grinding and is measured indirectly by light scattering effect or by sieving.
2. Chemical definition of hardness. Basic research into the chemical composition, chemical structure, and chemical interactions which cause the physical properties and structure known as "hardness." Once these causes are defined on a molecular basis, subsequent tests can be developed to objectively quantitate them.
3. Individual kernel automated tests of the hardness effect are based on one of a number of suggested measurements. These include photoacoustic, thermal, optical, or kinetic responses as well as mechanical resistance to deformation or permeability. A delivery system is being developed and many measurement ideas have been put forth as suggested above. Work on a mechanical prototype has begun. A Tag-Hepenstall moisture meter has been modified by placing a strain gauge and hinge on the free wheel normally used as one side of the conductance bridge. Strain data from individual wheat kernels crushed between the rolls will be collected as an electrical signal and sent to an oscilloscope for viewing and to a recording device for collection. A similar system or device for individual kernel scanning will be adapted to a number of measuring and recording systems.

Budget

FTE   AMOUNT

Unclassified

Graduate Res Assts	<u>2.5</u>	<u>\$40,000</u>
Research Assistants	<u>1.0</u>	<u>16,000</u>
Students		<u>2,000</u>
Benefits and Shrinkages		_____
Other Operating Expenses*		<u>42,000</u>
TOTAL		<u>\$100,000</u>

-----  
\*OOE will be in accordance with the following schedule:

200

243 Service contracts, equipment	\$6,000	
243 Equipment, maintenance	4,000	
250 Travel and subsistence	1,500	
248 Repair and service computer	2,000	
	\$13,500	\$13,500

300

369 Laboratory supplies	\$12,000	
349 Data processing supplies	5,000	
310 Agricultural supplies	11,500	
	\$28,500	\$28,500

RESEARCH ON WHEAT AS A FEED

Justification

The Kansas Agricultural Experiment Station has evaluated soft and hard red winter wheats for feed for many years. However, studies have been limited because the principal use, particularly of the high protein hard red winter wheats that predominate in Kansas, has been for foods.

Recent concerns about the shrinking wheat export market prompt new questions about the use of wheats for feed. Also, some of the older studies were conducted with fewer animals per lot and fewer replications than is possible today.

Program of Research

Funding for enhancement of wheat feeding research would allow for: 1) evaluation of new varieties for feed as well as for food; 2) refinement of guidelines for feeding wheat, especially in the areas of processing methodology, economical combinations of wheats with available protein supplements and roughages; 3) investigation of the use of high moisture wheat (a few days earlier harvest of wheat for feed may make it possible to double crop with sorghum or soybeans in some areas); and 4) enhancement of the wheat breeding program to include more feed wheat objectives.

Budget

A. Wheat Feeding Trials	<u>Garden City</u>	<u>Hays</u>	<u>Manhattan</u>
Feeding (including hard and soft wheat for feeding)	\$12,500	\$12,500	\$12,500
Cattle purchases (partial payment for cattle and losses)	8,000	8,000	8,000
Miscellaneous supplies	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>
	\$25,000	\$25,000	\$25,000
Feeding Trials Total			<u>\$75,000</u>
B. Wheat Breeding Program			
Miscellaneous labor (part-time Farmer II, graduate research assistants, etc.)		\$10,000	\$10,000
Miscellaneous supplies		<u>2,500</u>	<u>2,500</u>
		\$12,500	\$12,500
Breeding Program Total			<u>\$25,000</u>
Grand Total			<u><u>\$100,000</u></u>

attachment  
15.4



The KANSAS BANKERS ASSOCIATION  
A Full Service Banking Association

February 22, 1984

TO: House Committee on Agricultural and Livestock

RE: HB 2971

Mr. Chairman and members of the committee:

Thank you for the opportunity to appear before this committee on HB 2971 which directs Kansas State University to conduct research concerning certain wheat varieties. The Kansas banking industry has worked for over a century with the Kansas farming community to provide the necessary capital for all types of agricultural production. We are very proud of a working relationship which has assisted Kansas farmers in making our state one of the major food producing areas of the world.

As the attached sheet shows, Kansas banks rank # 1 in the nation in the percent in total farm loans held in banks in those states with over \$1 billion in farm loans. In fact, the national average for percent of farm loans held by banks on a nationwide basis is 21% for all other states and Kansas banks, in 1982, held 31% of the farm loans made in Kansas. As of January 1, 1983, 607 banks in Kansas held farm loans totaling \$2,434,700,000.

Agriculture is obviously the economic backbone of Kansas and we believe it is always in the best interests of the state to promote programs which will provide a stronger base for our agricultural economy. There is a constant need to seek enough diversity in agricultural production so as to avoid too much dependency on one agricultural product which is subject to the whims of our unpredictable climate. Because cattle production has become such a significant part of our agricultural economy, we do believe it is important that actions be taken to assure an adequate feed grain supply at all times. Further research on wheat varieties would be a major step in that direction. Therefore, we believe legislation such as HB 2971 is in the best interests of the economy of Kansas and we would encourage this committee to take favorable action on this bill.

James S. Maag  
Director of Research

ljs

Attch. 4



AGRICULTURAL LOAN TOTALS

January 1, 1983

State	Non-R E Loans Held by Banks (millions)	R E Loans Held by Banks (millions)	Total Farm Loans Held by Banks (millions)	State*** Total (millions)	Bank %
KANSAS	\$2,224 (56%)*	\$211 (06%)**	\$2,434	\$7,809	31%
NEBRASKA	2,863 (49%)	115 (03%)	2,977	10,102	29%
MISSOURI	1,385 (51%)	559 (14%)	1,943	6,595	29%
OKLAHOMA	1,255 (47%)	228 (08%)	1,483	5,376	28%
CALIFORNIA	3,762 (58%)	532 (06%)	4,294	15,112	28%
ILLINOIS	2,379 (54%)	537 (08%)	2,916	10,781	27%
KENTUCKY	612 (40%)	409 (18%)	1,020	3,831	27%
TEXAS	2,552 (43%)	556 (09%)	3,107	11,998	26%
SOUTH DAKOTA	1,266 (44%)	50 (02%)	1,316	4,974	26%
IOWA	3,766 (51%)	343 (04%)	4,108	16,121	25%
MINNESOTA	2,256 (41%)	283 (05%)	2,539	11,154	23%
WISCONSIN	1,047 (35%)	475 (13%)	1,521	6,771	22%
INDIANA	997 (38%)	521 (11%)	1,498	7,225	21%
NORTH DAKOTA	913 (30%)	120 (05%)	1,033	5,379	19%

- - - - -

\* % of all ag non-real estate loans held by banks

\*\* % of all ag real estate loans held by banks

\*\*\* % Total of all ag loans by all lenders

Kansas ranks number one (#1) in the nation in percent of total farm loans held in banks among states with over \$1 billion in farm loans. (National average = 21% Kansas = 31%)

Kansas ranks number two (#2) in the nation in the percent of non-real estate farm loans held by banks. (National average = 34% Kansas = 56%)

# Kansas Association of Wheatgrowers

PRESIDENT:  
Gerald E. Riley  
305 Valley Drive  
P.O. Box 397  
Dighton, KS. 67839  
316-397-2159

1ST. VICE-PRESIDENT:  
Del Weideman  
Route #2, Box 46  
Wakeeney, KS. 67672  
913-743-2047

2ND. VICE-PRESIDENT:  
Robert Paris  
R. R.  
Dighton, KS. 67839  
316-397-2140

SEC./TREASURER:  
Morris Krug  
Route #1, Box 18  
Russell, KS. 67665  
913-483-2633

## TESTIMONY BEFORE THE HOUSE AGRICULTURE COMMITTEE

### HOUSE BILL NO. 2971

Mr. Chairman, members of the committee. My name is Morris Krug  
I am a wheat producer from Russell County, Kansas. I am here today  
to testify in favor of House Bill 2971.

Kansas wheat growers are losing their competitive edge in U.S. wheat production. Because of increasing wheat production nationwide -- especially in the South and in the southern Corn Belt -- wheat prices are destined to continue dropping.

With state wheat yields averaging only about 36 bushels per acre, Kansas wheat yields are poor in comparison to wheat yields of 50 and 60 bushels per acre of wheat grown in double crop programs in the South. Intensified wheat research in some of these new wheat growing areas are showing it's now possible for farmers to hit yields beating 100 bushels per acre.

We have a critical need for research and development on wheat varieties to be used in non-traditional ways. Kansas State University is equipped to carry-out this research and I would urge you to act favorably on the bill before you.

Att h. 5