

Approved 02/12/87
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Phil Kline at
Chairperson

3:30 a.m./p.m. on Monday, February 2, 1987 in room 514-S of the Capitol.

All members were present except: Rep. Teagarden (excused)

Committee staff present:
Jim Wilson, Revisor
Raney Gilliland, Research
Lynn Holt, Research
Molly Mulloy, Secretary

Conferees appearing before the committee:

David Heinemann, Representative
Sam Brownback, Secretary of Agriculture
Carl Holmes, Representative
Jack Beauchamp, Representative
Wilburn Nelson, Kansas Poultry Assn
Cornelia Flora, Kansas State University
Steven Anderson, KS American Agricultural Movement

H.B. 2076

Chairman Kline called the meeting to order and introduced the first conferee, Rep. David Heinemann. Rep. Heinemann spoke in favor of H.B. 2076, stating that one of the primary recommendations of the Economic Development Commission Task Force on Agriculture (of which he was the chairman) was the corporate farming law regarding swine and poultry confinement facilities. He distributed statistical information on cattle and hog production in Kansas and spoke of the tremendous growth in southwest Kansas due to cattle processing plants located there. He noted that although Kansas is an ideal area in which to raise hogs, the state will not see another hog processing plant come into the area until swine numbers increase significantly. Rep. Heinemann next distributed a report on the status of the poultry industry in Kansas (Attachment 1) and discussed the statistics contained in that report. He remarked in concluding that he felt specific IRBs should not be granted to corporate entities.

The next conferee was Sam Brownback, Secretary of Agriculture, who presented a resolution (Attachment 2) passed by the Board of Agriculture 125 to 10 which said: "We, the State Board of Agriculture, oppose any change in the corporate farm bill that will give corporations a competitive advantage over the family farm." Secretary Brownback stressed that the resolution did not say they were opposed to corporate farming per se in Kansas in the pork and poultry field, but were opposed to giving a competitive advantage to large scale corporate entities in the form of IRBs and property tax abatements.

Rep. Carl Holmes, who is also mayor of Plains, KS, testified in favor of H.B. 2076, citing the numerous economic advantages to Plains since the arrival of Dekalb Swine Breeders, Inc. several years ago. He stated that Dekalb is interested in expanding their current operation in Kansas and in moving their out of state operations here, but current Kansas law prohibits them from doing so. Rep. Holmes recommended a change in H.B. 2076 which would prohibit the usage of IRBs and property tax relief to all corporate farming operations. He distributed a copy of his testimony (Attachment 3) and statistical information supplied by the Plains State Bank (Attachment 4 & 5) which documented the significantly positive impact on his community by Dekalb Swine.

The fourth conferee was Rep. Jack Beauchamp, who spoke in favor of the bill. He distributed a copy of his testimony (Attachment 6) along with with seven additional handouts relating to corporate farming, statistical data on cattle and swine production in Kansas and the economic impact of corporate farming. He testified that he was a proponent in changing the corporate farm law because he felt it was vital to economic development. He cited statistics regarding the loss of 425 jobs in Franklin County since November 1986, stating that if the corporate farm law were modified to allow the establishment of pork and poultry corporations, the

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

02/12/87

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT,
 room 514-S, Statehouse, at 3:30 a.m./p.m. on Monday, February 2, 1987

beneficial impact on areas such as his would be substantial. The utilization of grains, the construction activity, slaughter volume and facilities would be significant value-added activities that would generate jobs, dollars and markets. (Attachments 7 through 13)

Mr. Wilburn Nelson of the Kansas Poultry Association spoke in support of the bill, saying his organization voted unanimously not to oppose the proposed changes in corporate farming law. He distributed a copy of a report prepared by Dr. A. W. Adams of KSU on the potential for expansion of the poultry industry in Kansas (Attachment 14). He stressed that the corporations who control the poultry business are both the market for and the customers of individual farmers. He described the positive impact of corporate farming on other phases of agriculture and concluded by mentioning that nearly 80,000 persons in the state of Arkansas, or one of every 12, are employed by the poultry business.

Cornelia Flora, rural sociologist at KSU, stated that she was neither an opponent nor proponent of H.B. 2076 but wanted to speak on how changes in technology can change agricultural-dependent communities. She asked the committee to have systematic monitoring of whater law is enacted to see what kinds of education were needed for this. She said it's clear that changes need to be made in options and opportunities available to Kansas farmers and that the rural communities which make up one-half of the state will depend on that.

The final conferee was Steven Anderson, who spoke in opposition of H.B. 2073. He said that to allow more corporate intrusion is to betray our Kansas heritage and felt that the benefits from corporate pork production would be for two or three counties at the expense of the rest of the state. He urged the committee to kill the corporate farm bill and said he objects to poultry and beef corporate farming as well as swine. He distributed three handouts (Attachments 15, 16, 17) supporting his views.

The meeting concluded at 5:45pm. The next meeting of the committee is Tuesday, February 3, 1987 in room 514-S.

Date: 2/2/87U E S T R E G I S T E R

H O U S E

Committee on Economic Development

| <u>NAME</u> | <u>ORGANIZATION</u> | <u>ADDRESS</u> |
|---------------------------|------------------------------------|--------------------------------|
| <u>Greg Schmitz</u> | <u>Marshall Co Farmers Union</u> | <u>Monysville</u> |
| <u>Eugene Helton</u> | <u>Farmer</u> | <u>Centerville</u> |
| <u>Richard Schmitz</u> | <u>Farmer</u> | <u>Barlyville</u> |
| <u>Vicky Joth</u> | <u>KS Natural Resource Council</u> | <u>Topeka</u> |
| <u>Stephen Anderson</u> | <u>AAM</u> | <u>Alma</u> |
| <u>Dean Becker</u> | <u>Nemaha Co Coop</u> | <u>Seneca</u> |
| <u>Alan Stallbaum</u> | <u>Farmer</u> | <u>Seneca</u> |
| <u>Olav Steppat</u> | <u>Pete McGill + Assoc.</u> | <u>Topeka</u> |
| <u>Norman Harper</u> | <u>AAM</u> | <u>Healy</u> |
| <u>Mary Harper</u> | <u>"</u> | <u>Healy</u> |
| <u>Walter Nelson</u> | <u>K.P.A.</u> | <u>Manhattan</u> |
| <u>Joseph O. Hubbard</u> | <u>KPPA</u> | <u>St. George, Ks</u> |
| <u>Wallace Olson</u> | <u>Farmer</u> | <u>Osby, Kansas</u> |
| <u>Jerry Post</u> | <u>Kansas Rural Center</u> | <u>Whiting, Ks</u> |
| <u>Ramona Jones</u> | <u>Eagle - Beacon</u> | <u>Whita (Top. Bureau)</u> |
| <u>Raymond J. Schmitz</u> | <u>Farmer</u> | <u>Box 63 Barleyville, Ks.</u> |
| <u>Gilbert Stallbaum</u> | <u>Farmer</u> | <u>RR1 Barleyville, Ks</u> |
| <u>Bill R. Fuller</u> | <u>Ks Form Bureau</u> | <u>Manhattan</u> |

Date: 2/2/87

UEST REGISTE

H O U S E

Committee on Economic Development

| <u>NAME</u> | <u>ORGANIZATION</u> | <u>ADDRESS</u> |
|------------------|--|----------------------|
| Rachel Greenwood | | Rt 2 Frankfort KS |
| Richard Russell | Natural Resources Defense Council Marysville Advocate | " " " |
| Gilbert Koelzer | | RR #1 Baileyville Ks |
| David Struthman | | RR Aytell Ks. |
| Jerry Struthman | | Baileyville, KS |
| Russell Havkamp | | Baileyville Ks |
| Dene Holshover | Pork Producers N. F. U. | Seneca Ks |
| Leon Holshover | | Seneca KS |
| Joe Struthman | | Aytell Ks |
| John J. Rempel | | Corning Ks. |
| Jim Feldkamp | Pork Producers | Centerville Ks |
| Geo Schwartz | Pork Producer | Washington Kan. |
| Joe Vogelsberg | NFO K.O.P. Farm Bureau NKFAN | Home Kansas |
| Don Daiders | Pork Producers | Erie, Ks |
| Pat John | Pork Producers | Windsor, Ks. |
| Jim Rose | KFPC - Pres. | Lyons, Ks. |
| Mike Jensen | KPPC | Manhattan |
| R.D. Busch | Kans Organic Prod. | Home Ks |

2/2/87

Jake Zeiger
 Cornelia Hoa Kansas State Univ. Manhattan
 RONALD SCHNEIDER K.S. RURAL Center Topeka
 Wroe Johnson Ks. St. Bd of Agr - STATISTICS
 Bruce Farkin Rep.
 Bill Bryant Rep.
 Harry Salisbury Dept. of Commerce
 ALVIN FERREE yates Center Bd of Agr
 F. E. Bliss Ks. Bd. of Agr
 Chris Walker Ks. NFO
 Rep Marvin E. Smith

Frank W. Wyatt Ks Farmers Union
 Frank Ernst Ks Farmer

Delva Ott
 Shawnt Schwartz
 Dan & Bradstreet Inc
 Washington Ks. (Pork Producers)

Irving Boldridge 'FAN' Effingham KS
 State Rep. 66023

Don Ryan
 Guy Haverkamp
 Jay Sching
 John Hulsing
 Wilbat Pettengham
 mark Halthaus
 Jerry Ketter
 Barleyville Ks
 Barleyville Ks.
 Barleyville Ks
 Barleyville Ks.
 Seneca Ks
 home, Ks.

Kenneth Wallingford Jr Effingham, Ks 66023
 Hugo Baker Chanute Ks 66720
 Walt Chappell Chanute, Ks. 66720
 Larry R. Holman Humboldt, Ks 66748
 Charles Sommar Chanute Ks 66720
 Pam Somerville STAFF to Rep. Heinemann

Darlene Joan Stearns Consultation of churches
 Javis Lee Kensington, Ks.

Clifford Campbell
 Earl Wright FACTS Manhattan
 Wilbur Leonard ^{Common in} Ks. Farm Org. Topeka
 Mary Kay Lumschlauser Manhattan Ks Pork Producers

Ed Reznick
Raymond L. Burns

Off. X5
Ls Bd of Agr

STATUS OF PRESENT AND POTENTIAL POULTRY INDUSTRY IN KANSAS*

A.W. Adams
Secretary/Treasurer
Kansas Poultry Association

Have 1

I. The Kansas Poultry Association (KPA).

KPA is a nonprofit trade association that serves all segments of the Kansas poultry industry. Membership in the organization is voluntary, except for hatcheries and exhibition breeders who are required by law to pay membership fees to participate in the National Poultry Improvement Plan. Approximate membership by categories is:

| | | |
|--------------------------|-----|---------|
| Commercial egg producers | 65 | members |
| Hatcheries | 10 | " |
| Turkey growers | 6 | " |
| Exhibition breeders | 150 | " |
| Egg processors | 5 | " |
| Suppliers firms | 12 | " |
| Total | 248 | |

Primary functions of the Association are: 1). administration of the National Poultry Improvement Plan whose main objective is control of egg transmitted diseases of poultry; 2). promotion of the consumption of eggs and poultry meat; 3). education through a monthly newsletter and meetings; and 4). dissemination of information of interest to the membership.

Current officers of the Association are:

President - Waldo Waltner, Central Kansas Hatchery, Moundridge

Vice President - Mark Miller, Miller Produce, Cottonwood Falls

Sec./Treas. - Al Adams, Manhattan

Directors - Norman Brinkman, Egg Producer, Olpe; Al Gray, Exhibition Breeder, Buhler; Bob Harris, Sunny Fresh, Inc., Buhler; Norman Karlin, Midwest Feed Co., Hutchinson; Cecil McCurry, McCurry Brothers Elevator, Mt. Hope; Jack McKee, Key Milling Co., Clay Center; Wilburn Nelson, Nelson Poultry Farms, Inc., Manhattan
Leonard Sharp, Egg Producer, Great Bend; Alfred Stucky, Central Kansas Hatchery, Moundridge; Milo Warne, Exhibiton Breeder, Wichita; Earl Wetta, Wetta Egg Farm, Andale; and Don Wise, Wise Poultry, Inc., Emporia.

*Prepared for a presentation to a Legislative Committee, August 26, 1986.

Attachment 1
02/02/87

II. Current and Future Status of Kansas Poultry Industry (1985)

A. Commercial egg production industry:

Egg production is the primary poultry enterprise in Kansas. Unit sizes vary from 10,000 to 170,000-hen capacity at one location. Most egg production is on a contract basis where the farmer furnishes the building, equipment, labor, and utilities and the contractor (egg processor, feed company, hatchery) supplies the ready-to-lay pullets, feed, medication, and market. Five individuals or firms control the production of most of the commercial layers in Kansas. One firm (Sunny Fresh, Inc.) controls approximately one half of the hen capacity in the state.

Kansas currently has 1.9 million layers which produce 39,333,000 dozens of eggs with a value of \$19,667,000. These 1.9 million layers consume 171,000,000 lb. of feed from dayold until they complete their productive life. Based on a cereal grain content of 62%, this feed volume represents 106,000,000 lb. or 1,893,000 bushels of cereal grains. Based on average yields for Kansas, this volume of grain represents the yield from 15,144 acres of corn or 37,118 acres of sorghum grain.

Kansas is an egg deficit state producing less eggs than its people consume. Based on per capita consumption of 255 eggs, Kansas needs to produce 688,500,000 eggs to be self-sufficient, but it only produces 472,000,000. The deficit of 216,500,000 eggs (18,042,000 doz.) represents the production from 873,000 hens which represents potential additional income of \$9,021,000 from egg sales, \$5,493,000 from feed sales, and the estimated \$2,958,000 income from other production inputs; a total of \$17,472,000.

B. The Turkey Industry:

The Kansas turkey industry consists of a large turkey hatchery at Moundridge which hatches over 2 million poults per year, four large turkey breeder flocks which furnish hatching eggs for the hatchery at Moundridge, a hatchery in Colorado and a hatchery in Missouri, and several growers who grow approximately 100,000 market turkeys per year. Almost all of the poults hatched in Kansas are exported to Nebraska, Minnesota, Missouri, and Arkansas.

Loss of turkey processing facilities at Hesston and Parsons in the 60's was a crippling blow to the industry. Current production must be hauled live to processing plants in Nebraska, Iowa, or Missouri, which places Kansas growers at a disadvantage because of transportation costs, shrinkage, and lack of professional flock services.

Turkey production and processing is a "growth" industry. Turkey

Turkey production and processing is a "growth" industry. Key meat consumption is increasing because of the consumer's image of it as an economical source of lean meat and because of its increasing availability in a variety of forms other than the whole bird.

The economic potential of market turkeys is significant. For example, the market value of 100,000 turkeys at current prices is \$1,197,000 plus the value of \$472,500 for feed consumed and \$202,500 for other inputs; \$1,872,500 total). Based on 68% grain content of the rations, total grain usage would be 4,095,000 lb. (73,125 bushels) which would represent the yield from 585 acres of corn or 1,434 acres of sorghum grain.

The greatest potential for turkey production in Kansas is the placement of a processing plant within the state. The state has an excellent hatchery, growers with experience in growing turkeys, feed grains, and a good climate. Also, the low poultry population in the state is an advantage from the a disease control standpoint.

C. Commercial broiler production:

At the present time there are no commercial broiler flocks in the state. In contrast, the neighboring state of Arkansas is the leading broiler producing state in the U.S. The broiler industry is highly integrated and lends itself to the concentration of production and processing in a limited geographic area. Twenty firms control the major production of broilers in the U.S. Like the turkey industry, the greatest potential for broiler production in Kansas would be the decision by a major broiler firm to locate a production-processing facility in Kansas.

Most broilers are grown on production contracts with the producer furnishing the buildings, equipment, labor and utilities and the contractor furnishing the chicks, feed, medication, and market. A family unit with a 21,000-bird house could raise 5.5 broods or 113,900 broilers per year. Based on current grower payments, the net labor and management income to the grower would be approximately \$5,299.

A unit with this capacity would use the grain yield from 66 acres of corn or 81 acres of sorghum grain.

III. Summary of the advantages and disadvantages for the expansion of the poultry industry in Kansas.

Advantages:

- +Availability of a high quality work force
- +Favorable climate
- +Nearness to supply of major feed ingredients

+Less danger of disease because of low poultry populations

Disadvantages:

+Distance to major markets or population centers

+Lack of financing or interest of financial institutions of financing "feathers"

+Lack of processing facilities

+Negative attitude toward "feathers"

MILK AND POULTRY PRODUCTION AND SLAUGHTER

| YEAR | MILK PRODUCTION | | POULTRY | | | | | |
|------|-----------------|------|-----------------|------|----------------|------|----------------|------|
| | Million Lbs. | Rank | Chickens Raised | | Egg Production | | Turkeys Raised | |
| | | | 1,000 Head | Rank | Million Eggs | Rank | 1,000 Head | Rank |
| 1960 | 1,922 | 17 | 8,348 | 13 | 1,339 | 18 | 865 | 21 |
| 61 | 1,955 | 17 | 7,513 | 18 | 1,202 | 21 | 1,184 | 21 |
| 62 | 1,872 | 18 | 6,461 | 19 | 1,097 | 22 | 834 | 20 |
| 63 | 1,810 | 19 | 5,621 | 23 | 977 | 24 | 760 | 24 |
| 64 | 1,816 | 19 | 5,115 | 22 | 947 | 27 | 816 | 24 |
| 1965 | 1,749 | 19 | 4,859 | 24 | 967 | 26 | 692 | 27 |
| 66 | 1,738 | 18 | 5,005 | 25 | 958 | 27 | 610 | 26 |
| 67 | 1,724 | 18 | 4,555 | 25 | 962 | 27 | 600 | 27 |
| 68 | 1,717 | 18 | 4,145 | 24 | 883 | 27 | 395 | 26 |
| 69 | 1,687 | 18 | 3,855 | 26 | 836 | 27 | 360 | 27 |
| 1970 | 1,740 | 18 | 3,700 | 26 | 772 | 29 | 326 | 26 |
| 71 | 1,688 | 19 | 3,650 | 26 | 752 | 29 | 307 | 26 |
| 72 | 1,629 | 20 | 3,350 | 27 | 718 | 29 | 285 | 26 |
| 73 | 1,505 | 22 | 3,315 | 26 | 673 | 28 | 210 | 26 |
| 74 | 1,403 | 24 | 3,165 | 27 | 601 | 29 | 165 | 28 |
| 1975 | 1,392 | 23 | 2,816 | 28 | 599 | 29 | 154 | 27 |
| 76 | 1,447 | 23 | 2,869 | 27 | 564 | 28 | 108 | 27 |
| 77 | 1,442 | 23 | 2,350 | 28 | 548 | 29 | 113 | 27 |
| 78 | 1,372 | 23 | 2,300 | 29 | 511 | 32 | 129 | 27 |
| 79 | 1,330 | 24 | 2,100 | 30 | 483 | 31 | 184 | 27 |
| 1980 | 1,330 | 24 | 1,900 | 32 | 427 | 32 | 132 | 27 |
| 81 | 1,397 | 24 | 2,200 | 32 | 416 | 34 | 263 | 26 |
| 82 | 1,356 | 24 | 1,760 | 32 | 462 | 31 | 202 | 27 |
| 83 | 1,382 | 24 | 1,960 | 30 | 481 | 30 | 115 | 28 |
| 84 | 1,225 | 24 | 2,185 | 30 | 466 | 30 | 100 | 27 |
| 1985 | 1,285 | 25 | 1,700 1/ | 29 | 472 | 31 | 275 | 25 |

1/ Number sold. Number raised no longer estimated.

KANSAS STATE BOARD OF AGRICULTURE
1987 MEETING
DELEGATE RESOLUTION

WE, THE STATE OF AGRICULTURE, OPPOSE ANY CHANGE IN THE
CORPORATE FARM BILL THAT WILL GIVE CORPORATIONS A COMPETITIVE
ADVANTAGE OVER THE FAMILY FARM.

125 YES
10 NO

4/5
22

Carl Holmes
BOX 578 - PLAINS, KANSAS 67869
(316) 563-7361

February 2, 1987

Testimony regarding HB 2076

Mr. Chairman and Members of the Economic Development Committee:

I am Representative Carl Holmes. I want to thank you for the opportunity to speak in favor of House Bill 2076. Today, I appear before you not as a State Representative, but as the Mayor of the city of Plains, Kansas. I have lived in Plains all my life. I have spent a considerable portion of my adult life working to improve my hometown. My testimony will document the unique growth of Plains over the last ten years. My testimony will explain how the DeKalb Swine Breeding Operation, located south of Plains, has impacted that growth. Finally, my testimony will urge this committee to approve changes in the corporate farming laws allowing continuing economic development in my community and throughout the State of Kansas.

As I stated earlier, I am testifying as the current Mayor of Plains. I was elected to the city council in 1977 and in 1979, I was elected President of the city council. Since 1982, I have served as Mayor of the city of Plains. During the middle 1950's when I was in high school, the population of Plains ranged between 650 and 700 varying back and forth with the economic situation occurring in Southwest Kansas. At that time, the town's growth was stagnant.

Today, Plains has over 1100 population and is growing. From 1976 to 1986, the assessed valuation of Plains increased 1.5 million

dollars even though none of DeKalb's facilities are built within the city limits of Plains. During the past 10 years, Plains has seen an additional 2 million bushels of grain storage constructed. Last year, our modern medical clinic, which has been vacant for over 10 years, went back into operation on a daily basis staffed with a full time doctor. In 1985, Plains, with the cooperation of the Farm Home Administration, completed a 12 unit senior citizen housing center. Our bank built a new building costing well over 1/2 million dollars. Our recreation facilities far exceed any other towns in Kansas with 1100 population. These facilities include a nine hole grass green golf course, 4 full size tennis courts with additional practice courts, a modern irrigated combination softball-baseball field, swimming pool, large multi-purpose courts used for basketball, volleyball, and dancing, trap and black powder shooting ranges along with many other improvements found in city parks of larger cities.

Plains' capital improvement projects include a doubling of the cities water pumping capacity, extensive water main improvements, new sewage treatment plant with discharge for irrigation purposes, well over one million dollars of new street improvements, along with many smaller projects. The capital improvements that have taken place in the last ten years well exceed over 2 million dollars or 2000 dollars per capita. A couple of years ago, Plains had the highest per capita debt load in Kansas permitted in part by special legislation passed by the Kansas Legislature. The city has rebuilt itself. Most of the capital improvement projects were done by petition to the city council. I want to emphasize the growth of Plains is tied to

agri-business. With our population growth, we have seen numerous new homes built, new apartment houses constructed and old apartment houses rebuilt, new service businesses established, and agricultural oriented businesses expanded.

In Plains, we have two age groups of workers, those under 40 and those over 40 years of age. The labor force over 40 migrates each morning to Liberal for jobs. In the 1950's and 1960's, when the youth graduated from school, there were no jobs available in Plains and they went elsewhere to find jobs. Those who found jobs in Liberal now have higher paying jobs and positions and therefore are continuing their jobs in Liberal. As a result of DeKalb, today we have young people working in Plains and employees driving to Plains from Liberal and surrounding communities to work either for DeKalb or the other agricultural and service related businesses located in Plains.

A community either grows or dies, it does not stay the same. When you drive through a community, by looking at the average age of the residents, it is obvious if the community is growing or dying. If the average age is above 40 in Kansas, the town is dying. Plains is under 40 and growing.

In the early 1970's, DeKalb Swine made a decision to locate in southwest Kansas. Their decision was based on several factors including:

No. 1 Southwest Kansas has an excess of feed grain production.

No. 2 Southwest Kansas has weather which is ideal to

utilize a total confinement operation.

No. 3 Southwest Kansas has limited hog production, minimalizing disease exposure.

No. 4 Southwest Kansas has a lower population density allowing for fewer odor complaints.

DeKalb Swine has a state of the art, total confinement operation whose main purpose is to raise the best quality hybrid breeding stock and market that breeding stock worldwide. The procedure raises hybrid breeding stock in similar fashion to raising hybrid seed. This means 25 to 30 per cent of their production is sold as breeding stock, with culls sold as market hogs. The total production from DeKalb would only sustain a modern packing plant for 8 days per year. 95 per cent of DeKalb's breeding stock sales are outside the state of Kansas with 15 per cent of their breeding stock sales to overseas markets.

DeKalb utilizes 2 million bushels of grain a year consisting of 1.8 million bushels of milo and 200,000 bushels of wheat with 75 to 80 per cent of its purchases directly from farmers and the balance from local elevators. DeKalb does not produce any grain used in its operation. DeKalb pays the farmers a premium of 10 to 15 cents per bushel above the daily local elevator price for wheat and 10 to 20 cents per hundred weight above the daily local elevator price for milo at harvest. DeKalb also contracts grain in advance at additional premiums. They have a Texas operation where they ship 15 per cent of their processed finished feed from their mill south of Plains.

DeKalb Swine employs 150 people in all phases of their operation

south of Plains. Between 75 and 80 per cent of their employees are college trained. They have an intern program with colleges throughout the country which allows students to come to Plains for on-the-job training or farm manager training for college credit. DeKalb also sends out consultants worldwide to work with farms who have purchased their breeding stock.

DeKalb contracts out the trucking of all their hogs to local contractors. They attempt to hire local farmers to transport grain from their buying stations and local elevators to their mill in the off-season. DeKalb recycles the water used in their swine operation by giving it to farmers located around their breeding farms. The farmers use it for irrigation and fertilization of their crops. DeKalb also hires local contractors for maintenance projects.

DeKalb only built their first of seven farms located south of Plains with an IRB. The IRB was offered by the city of Plains to entice them to build in southwest Kansas in the Plains vicinity about 15 years ago. Since the last farm was built, Kansas changed its laws which now prohibit them from expanding in Kansas. DeKalb has two production farms in Texas and a research farm in Illinois which they would prefer to move to Kansas. If the current corporate farming law was changed, DeKalb would expand their current operations AND move their out-of-state operations to Kansas. In my conversations with DeKalb management this past week, DeKalb recommended a change in the proposed bill to prevent swine operations from receiving property tax and industrial revenue bond tax incentives. I would like to recommend a change in House Bill 2076 that would prohibit the usage of IRB's and

property tax relief to ALL corporate farming operations. I believe current state and federal tax laws reflect these changes, but this would make the changes statutory.

Is Kansas really serious about economic development? This past year, our state spent a considerable amount of time, effort, and money trying to develop new industries. We talk about our depressed agricultural economy. We talk about how we need to up-grade our raw agricultural products and sell our grain for a higher price instead of selling unprocessed grain. Our state's corporate farming law currently prohibits corporate farms that raise poultry and pork, yet permit feedlots for cattle. It makes little sense to me to go out and spend large sums of money on consultants, pass new laws in the name of economic development, and then restrict what industries are acceptable in Kansas because of their management structure. Where would Southwest Kansas be today if we said that the cattle industry could not use the corporate form of management? The cattle feedlots would be located in Texas and we would be shipping our grain to Texas. The cattle industry in southwest Kansas would probably be centered in Amarillo, Texas, NOT in Garden City, Kansas.

DeKalb is operating with a highly trained, mostly college educated labor force to produce pork. Their presence in Plains has allowed Plains to grow, not die like most cities of our size. Most cities in Kansas would love to have a new industry which would create 150 new jobs and provide a market for their surplus grain instead of shipping raw, unprocessed grain to Russia below the cost of production.

It does not seem right to me to see Kansas spend millions of dollars for education and then tell our graduates, "OK, we've educated you but you will have to go out of state to find a job!" We have to provide job opportunities and this is one area we have failed. Since 1975, Plains has observed some of our previous high school graduates, who left the state, move back to Plains. We salvaged some of our educational dollars, which originally left Kansas.

DeKalb is taking raw wheat and milo and converting that grain into swine breeding stock with a Kansas labor force, then ships the finished product overseas and out of state. DeKalb has worked hand in hand with KDED and will continue to work with the Department of Commerce to further expand their markets overseas. Many times I have observed DeKalb with a rental helicopter taking foreigners from their office out to various hog farms and showing them their products in order to sell additional breeding stock. They are very aggressive, but we are prohibiting them from expanding. Their greatest new market is the Far East.

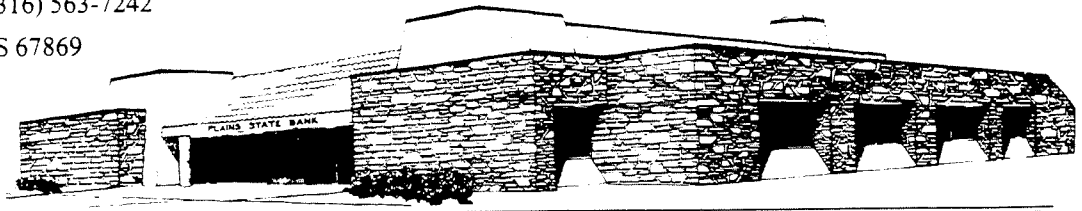
I want to close by saying that we have a choice to make in this state. If we want to get serious about economic development, if we want to get serious about agriculture, we have some opportunities that we are not taking advantage of. I will defy you to show me other towns in the state of Kansas with a population of less than 700 in the 1950's, that today are 50 per cent larger than they were 30 years ago, and they have grown as a result of agriculture. Plains met the challenge, until we stumbled into the Kansas Corporate Farming Laws.

Thank you and I will stand for any questions.

The Plains State Bank

P. O. Box 38 — Phone: (316) 563-7242

PLAINS, KANSAS 67869



January 30, 1987

Carl Dean Holmes
Room 156 East
State Capitol Bldg.
Topeka, KS 66612

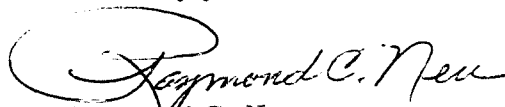
Dear Carl Dean:

As a follow up of our telephone conversation, please accept the following statistical information as support to the fact that the Dekalb Swine Breeders, Inc. installation in our trade territory has had a significant positive impact on our community. We enclose herewith an outline of the deposit, loan and total footings of our bank for the years of 1972 through 1986. As you can see, particularly in the area of deposits and total footings, our bank has had a relatively steady growth since the time that Dekalb arrived.

Besides the growth that our bank has realized during that time period, I am fully aware that our local motel has benefited from having personnel of Dekalb use their facility, but more beneficial to them has been the fact that the construction crew during the various phases of the construction have stayed at our local motel. Above and beyond that, the employees of Dekalb have certainly provided some business for the local stores on Main street as well as the automobile dealers and service stations and so forth.

I am hoping this information will sufficiently answer your inquiries.

Sincerely yours,


Raymond C. Neu
President

SS

MEMBER FDIC

Attachment 4
02/02/87


THE
PLAINS
STATE BANK

P. O. Box 38 — Phone: (316) 563-7242

| | Plains, Kansas 67869 | | |
|------|----------------------|----------|--------------|
| | DEPOSITS | LOANS | TOT FOOTINGS |
| 1972 | 5748 | 3224 | 6508 |
| 1973 | 6776 | 3580 | 7732 |
| 1974 | 7792 | 5901 | 8956 |
| 1975 | 9906 | 7896 | 11272 |
| 1976 | 12976 | 10413 | 14610 |
| 1977 | 11455 | 8123 | 13143 |
| 1978 | 13266 | 10125 | 14980 |
| 1979 | 14298 | 9985 | 16424 |
| 1980 | 15007 | 11078 | 17390 |
| 1981 | 17547 | 10519 | 20023 |
| 1982 | 19682 | 9533 | 22452 |
| 1983 | 18948 | 10129 | 22694 |
| 1984 | 20,993.- | 10,922.- | 24,023.- |
| 1985 | 20,154.- | 9,058.- | 23,004.- |
| 1986 | 22,310.- | 9,717.- | 25,913.- |

Stanfield-Guymon

Attachment 5
2-2-87

JACK E. BEAUCHAMP
REPRESENTATIVE, FOURTEENTH DISTRICT
FRANKLIN COUNTY
ROUTE 3, BOX 61
OTTAWA, KANSAS 66067
(913) 242-3540
STATE CAPITOL, ROOM 174-W
(913) 296-7676



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER AGRICULTURE AND SMALL BUSINESS
INSURANCE
LOCAL GOVERNMENT

MR. CHAIRMAN, MADAM VICE CHAIRMAN, MEMBERS OF THE ECONOMIC DEVELOPMENT COMMITTEE, LADIES AND GENTLEMEN:

AS A FRESHMAN, I RESPECT AND CONCUR WITH THE ADVICE THAT FRESHMEN SHOULD BE SEEN AND NOT HEARD. SOME DAYS I THINK PERHAPS I AM NOT UP TO QUALIFYING AS A FRESHMAN. REALLY LIKE STARTING COLLEGE ALL OVER.

HOWEVER, IF I COULD ASK YOU TO DISREGARD THE FACT THAT I AM A LEGISLATOR FOR A FEW MOMENTS AND CONSIDER WHAT I AM ABOUT TO OFFER ON ITS OWN MERITS. MY BACKGROUND OF INVOLVEMENT AND EXPERIENCE AND THE PRESENT DAY ECONOMIC SITUATION PROMPTS ME TO AT LEAST PULL SOME THINGS TOGETHER FOR YOUR CONSIDERATION.

I AM TESTIFYING AS A PROPONENT OF CONSIDERING CHANGES IN THE CORPORATE FARM LAW SIMPLY BECAUSE I FEEL KANSAS NEEDS TO EXPLORE ALL POSSIBILITIES OF ENHANCEMENT FOR ECONOMIC DEVELOPMENT, ALSO BECAUSE A LARGE PART OF KANSAS ECONOMIC BACKBONE IS AND ALWAYS HAS BEEN AGRICULTURE. I BELIEVE THAT TODAY WHILE WE ARE CHASING AFTER EVERY EVASIVE BIT OF ECONOMIC ACTIVITY WE ARE TENDING TO OVERLOOK THE TREES IN THE FOREST.

I FEEL SERIOUS CONSIDERATION SHOULD BE GIVEN TO UPDATING THE KANSAS CORPORATE FARM LAW TO ALLOW THE ESTABLISHMENT OF SWINE AND CHICKEN PRODUCTION UNITS.

FACTS AND FIGURES I AM ABOUT TO PRESENT HAVE SOME VERY SIGNIFICANT MESSAGES FOR US ALL TO CONSIDER AND PARTICULARLY YOU OF THE COMMITTEE IN YOUR DELIBERATIONS.

Attachment 6
02/02/87

IN MY PARTICULAR DISTRICT, WE HAVE REALIZED THE LOSS OF 425 JOBS SINCE NOVEMBER 1, 1986, WHICH EQUATES TO \$5.5 MILLION OF PAYROLL. THE RIPPLE IMPACT ON THE BUSINESSES AND OVERALL QUALITY OF LIFE IN THE COMMUNITY IS YET TO BE FULLY REALIZED.

LOSS OF JOBS IN FRANKLIN COUNTY SINCE NOVEMBER 3, 1986:

| | | |
|-------------------|----------|-----------------------|
| COMMODORE HOMES | 68 JOBS | \$1 MILLION PAYROLL |
| LEE MANUFACTURING | 350 JOBS | \$4.5 MILLION PAYROLL |

RIGID FORM BURNED OUT; CONSIDERING MOVING TO PAOLA, MIAMI COUNTY, INTO SPECIAL BUILDING; LAID OFF 20, 40 STILL WORKING. SINCE NOVEMBER, UNEMPLOYMENT HAS GONE FROM 7.6 TO 10+%.

APPROXIMATELY 425 PERSONS DISPLACED.

APPROXIMATELY \$5.5 MILLION PAYROLL.

TOTAL COUNTY POPULATION 20,000, APPROXIMATE.

REASON FOR INCLUDING THESE FACTS AND FIGURES IS BECAUSE THEY ARE REAL TO ME AND MY CONSTITUENTS. I KNOW THOSE OF YOU NO DOUBT HAVE SIMILAR SITUATIONS.

IF THE CORPORATE FARM LAW COULD BE MODIFIED TO ALLOW THE ESTABLISHMENT OF OTHER VENTURES, SUCH AS PORK AND POULTRY PRODUCTION BY CORPORATIONS, THE ECONOMIC IMPACT COULD BE SIGNIFICANT. THE UTILIZATION OF GRAINS, THE CONSTRUCTION ACTIVITY, SLAUGHTER VOLUME AND FACILITIES WOULD ALL BE SIGNIFICANT VALUE ADDED ACTIVITIES THAT WOULD CERTAINLY GENERATE DOLLARS AND CREATE MARKETS AND JOBS.

I WOULD HASTEN TO ADD AND UNDERSCORE THERE IS CONSIDERABLE CONCERN THROUGHOUT THE INDUSTRY THAT IF SUCH ALTERATIONS WERE MADE, THE CORPORATIONS SHOULD NOT BE GIVEN UNFAIR ADVANTAGES THAT PRIVATE FAMILY FARMERS

(CORPORATIONS) HAVE NOT HAD THE BENEFIT OF.

THESE FACTS AND FIGURES FOR YOUR STUDY WILL REVEAL SOME EYE OPENING RESULTS OVER THE YEARS DIRECTLY RELATED TO THE LAW CHANGES THAT RESULTED IN THE CATTLE FEEDING BUSINESS FLOURISHING TO ITS PRESENT DAY STATUS.

REPRESENTATIVE JACK BEAUCHAMP



formerly

KANSAS CROP AND LIVESTOCK REPORTING SERVICE

ROOM 290
444 S. E. QUINCY
TOPEKA, KANSAS 66683

M. E. (MOE) JOHNSON
STATE STATISTICIAN
PHONE (913) 295-2600



UNITED STATES
DEPARTMENT OF AGRICULTURE
NATIONAL AGRICULTURAL STATISTICS SERVICE

KANSAS STATE
BOARD OF AGRICULTURE
DIVISION OF STATISTICS

January 22, 1987

Honorable Jack E. Beauchamp
Kansas House of Representatives
State House, Room 124-W
Topeka, Kansas 66612

Dear Jack:

Enclosed are some things we have pulled together regarding the Kansas cattle feeding industry. The first chart shows the production of cattle in Kansas in pounds along with slaughter. In 1975 slaughter began to exceed production with the result that today Kansas slaughter plants are drawing in significant numbers of cattle from other states. The numbers behind that chart are shown in the second sheet labeled "Meat Animal Production and Slaughter." This also shows that Kansas now ranks third in production of cattle and first in cattle slaughter. Some months we have ranked first among states in total red meat production. That is rather remarkable considering the large volume of hogs slaughtered in Iowa.

The third page shows price departures and indicates that Dodge City cattle prices have averaged well above Omaha in each of the last five years. On the other hand, Kansas hog prices have averaged below the U.S. average.

The fourth page shows the number of cattle farms in Kansas and the U.S. It shows that the decline in number of farms with cattle has been remarkably similar. It does not illustrate the importance of cattle feeding in Kansas because there are many part-time farmers with a few beef cows or calves that would be counted as cattle farms.

The next page shows cattle feedlots by size groups. Note, for example, that in 1980 only .2 of one percent of all feedlots in Kansas had a capacity of 32,000 head or more, but they accounted for nearly 20 percent of cattle marketings. In 1985, .4 of one percent were in that size category, and they accounted for 28 percent of the marketings. That same year 3.9 percent of our feedlots had over 8,000 head capacity and accounted for 81 percent of the cattle marketed. This is an indication of increasing concentration of large operations.

The next page shows the percent of cash receipts from farm marketings in Kansas. In the '30's and '40's cash receipts were more evenly distributed among the various categories, while today they are concentrated, particularly into cattle and wheat. In recent years about half of our cash receipts have come from cattle. The next page shows cash receipts for the marketing of cattle over a period of recent years. Cash receipts since 1979 have ranged from a high of \$3.2 billion to a low of \$2.6 billion in 1983. The current level is about six times the 1960 level and three times the 1970 level. This page also gives annual totals on grain-fed cattle marketings for selected years from 1960 forward. The current level is about seven

Attachment 7
2/2/87

January 22, 1987

times the pre-1960 level of grain-fed cattle marketings, and the general trend has been upward even since 1980 when nationally cattle numbers have leveled off and beef consumption has been well below the level of the '70's.

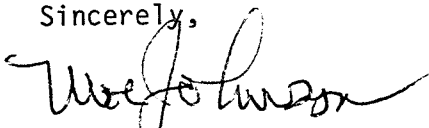
The next chart shows the change in cash receipts from crops in both the U.S. and Kansas and indicates that Kansas has not shown as much increase in cash receipts from crops as has the rest of the nation. The following chart shows the reverse situation with cash receipts from livestock with Kansas increasing significantly more than the national picture.

On the following page is an attempt to show something of the impact of the cattle feeding industry in southwest Kansas by comparing grain prices in that district with the state average. Note, for example, that throughout the '60's corn prices in southwest Kansas were generally below the state average, but beginning in 1970 forward corn prices averaged well above the state average. A similar situation is true with grain sorghum because of the feed demand generated by feedlots. On the other hand, wheat prices tend to be established at points like Kansas City and southwest Kansas wheat prices received by farmers tend to be well below the state average.

Finally, although it is difficult to measure the economic impact of the feeding industry employment figures for Ford and Finney Counties have shown very significant increases as compared with state employment figures. Finney County employment was up 62 percent in the past ten years and Ford County was up 27 percent, compared with the state increase of 11 percent. During the past five years both Ford and Finney Counties' employment increased while the state numbers were down slightly. This is an area that others have probably studied more thoroughly than I. We could probably check with Legislative Research or K-State to get some additional information in that area.

Jack, we hope you find this helpful. Let us know if you have further questions.

Sincerely,



M. E. Johnson
State Statistician

Encs. 11

cc: Sam Brownback, Kansas Secretary of Agriculture

Gross Farm Income for Kansas

| | |
|------|-----------|
| 1985 | 7,027,000 |
| 1984 | 7,124,000 |
| 1983 | 6,622,000 |
| 1982 | 6,764,000 |
| 1981 | 6,192,000 |
| 1980 | 5,939,000 |
| 1979 | 6,819,000 |
| 1978 | 5,242,000 |
| 1977 | 4,169,000 |
| 1976 | 3,894,000 |

Statistics from Economic Research Service, USDA
Provided by Kansas Agricultural Statistics, Coen Barnes. 295-2600.
January 28, 1987

pork

KANSAS PORK PRODUCERS COUNCIL

2601 Farm Bureau Road • Manhattan, Kansas 66502 • 913/776-0442

January 23, 1987

TO: Members of the Kansas Legislature
FROM: Kansas Pork Producer Council Executive Board
RE: Kansas Corporate Farm Law Survey

As a result of the survey taken by KPPC, which ended January 12, 1987, we now have a much better idea of how the pork producers of Kansas feel toward this issue. We enjoyed a tremendous response with 16% of our producer members returning the questionnaire. These responses represented 385,000 hogs raised annually.

We cannot support the proposed changes in the Kansas Corporate Farm Law. The survey shows that the concern of the majority of our members is their ability to compete with production units that may receive economic benefits unavailable to smaller units. However, a significant number of respondents feel that a neutral to supporting stance should be taken.

If any changes are to be made we support implementation of safeguards that insure equal treatment to all production units. This would include safeguards against unequal economic incentives offered to potential investors in Kansas business. We cannot support any policy which would encourage corporate expansion at the expense of those currently in business.

We would strongly encourage your analysis of this position in view of the fact that the Kansas Pork Producers Council is the voice of the Kansas swine industry. If you have any questions or would like to visit directly with any of our producers, feel free to contact the KPPC office.

Attachment 8
2/02/87

19

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

ROOM 545-N -- STATEHOUSE

Phone 296-3181

January 28, 1987

TO: Representative Jack Beauchamp

Office No. 174-W

RE: ECONOMIC IMPACT OF SWINE CONFINEMENT FACILITIES

You had asked for information regarding corporate ownership of agricultural land. I provided you with a copy of a study I had done in 1980 based on corporate filings in 1979. To my knowledge this is the most current information available as to the involvement of agricultural corporations in Kansas.

You also asked about the possibility of some type of economic analysis or impact study of the issue of permitting corporate entities to acquire agricultural land in order to construct swine confinement facilities. As you may be aware, the Legislature considered a modification to the Kansas Corporate Farming Law to permit such entities in 1984. This did not receive legislative approval. At that time, I did prepare a paper outlining some of the economic consequences of the construction of corporately owned swine confinement facilities. I have attached this document for your perusal.

Finally, I mentioned to you Dr. Emerson's input-output study of the Kansas economy. This should give us some insight as to the economic impact of various segments of Kansas agriculture on the economy of the state. However, Dr. Emerson indicated to me that it would be a month and a half before that study would be available.

I hope this has been helpful. If you wish to discuss this issue, please feel free to call me.



Raney Gilliland
Principal Analyst

RG/jsf

Enclosure

Attachment 9
02/02/87

MEMORANDUM

February 20, 1984

FROM: Kansas Legislative Research Department
RE: Economic Impact of Swine Confinement Facilities

Before any specific analysis is made of what economic impact the swine confinement facilities will have on Kansas, perhaps it would be beneficial to review some basic data and historical trends in Kansas hog production. Table I indicates the number of hog operations by year since 1970. Another trend would be the number of hogs and pigs on these operations referred to in Table I. Table II indicates the number of hogs and pigs on Kansas farms on December 1 of each year since 1969. Although there have been aberrations in the years between 1970 and 1983, it can be said there has been a decrease of both hog producers and hog and pig numbers. Specifically, the number of hog operations has decreased approximately 53.8 percent since 1970. Hog and pig numbers have dropped approximately 27.3 percent since 1970. These numbers also indicate an increase in the size of hog operations. In 1970, there were approximately 104 hogs and pigs per operator; 165 in 1983.

Table III indicates the value of production for calendar years 1970 through 1982. This figure represents an approximation of the dollars generated by hog operations in Kansas for those years. It also indicates the importance of pork production to Kansas farmers, whether it is their sole source of income or merely a portion.

Against this historical pattern of hog production in Kansas, it is now possible to consider some of the economic consequences of the Dekalb Swine Breeders operation and the proposed new facility of Pauls & Whites. In the testimony to the Senate Agriculture and Small Business Committee, the representative of the Dekalb Swine Breeders at Plains, Kansas, indicated they produce "about 150,000 hogs per year at those facilities." If this figure represents their pig crop, then it is possible to figure the Dekalb operation's portion of the total pig crop in Kansas. In 1983, the Kansas Crop and Livestock Reporting Service reported a pig crop of 2,733,000 head. The 150,000 head produced by Dekalb Swine Breeders then represents 5.5 percent of the total 1983 Kansas pig crop.

The Kansas average pig litter is 7.5 pigs; some average as high as 9. Assuming that the sows farrow twice a year, then working backwards, there must be between 8,300 and 10,000 sows in the Dekalb operation. Using the same average litter sizes, then the hog production of the proposed new facility by Seaboard Corporation and Pauls & Whites (British corporation) may be estimated. In the testimony presented by the representative of Pauls & Whites it was indicated that their proposed facility would eventually house 11,000 sows (Phase III). Using the same assumptions as to litter sizes as used previously, the operation should produce somewhere between 165,000 and 198,000 hogs annually. This would represent an addition to the inventory of hogs and pigs in the state. In fact, if the lowest possible number of hogs (165,000) proposed to be produced by Seaboard and Pauls & Whites to the 1983 Kansas total pig crop, then the combined production of the Dekalb facility and the proposed facility (Seaboard and Pauls & Whites) would represent approximately 10.8 percent of the 1983 Kansas pig crop. If they produced the higher number (198,000) the two facilities combined would represent 11.9 percent of the 1983 Kansas pig crop.

Of particular concern to many has been the impact that the influx of large operations would have upon hog producers already in operation in the state. It would seem reasonable to expect a different effect in the area of the state where these large facilities would be located as opposed to the state as a whole.

If the proposed facility builds at some location in the western one-third of the state to make use of abundant feed grain supplies and to gain access to the other types of natural resources needed, then it is unlikely that it will affect the local market in either direction. One reason for this is because of the relatively small number of hogs in the western one-third of the state. Another reason is because operations the size of the Dekalb operation and the proposed facility would be so large that they would ship directly to a slaughter facility, whether it be in Arkansas City, Kansas; Denver, Colorado; or in Tennessee or Mississippi. Local western Kansas producers would continue to market at local livestock markets, at gathering facilities, or to ship directly to packers themselves. The obvious means to create a stronger market in a particular area would be to have a hog slaughtering facility within shipping distance for smaller producers. Although there is no indication that one is being considered, a slaughtering facility located in western Kansas would need some set number of animals for each day of operation. If the facility could draw upon local production, it probably would be to their advantage, and a portion of this would be reflected in a higher price or lower cost for shipping to the smaller producers. (This would be much like the current situation in western Kansas where beef processors have built new facilities close to the large cattle feedlots.)

On the other hand, there may be an adverse effect to the state as a whole. If hog slaughter facilities (using the hog slaughtering facility at Arkansas City as an example) operate gathering stations or send out buyers to local livestock markets as they do in other parts of the state of Kansas to meet their daily slaughter needs, then the adverse effect could occur by disruption of this marketing pattern. If, for example, the slaughter facility could obtain all the slaughter hogs it needed from a very few large operations, then they may no longer need to operate their gathering facilities or have buyers at local livestock markets. If this occurs, then the market for smaller producers could diminish, which could be reflected in a lower price for their hogs and higher transportation costs to market their hogs.

Since it is unknown where the proposed new facility plans to market its hogs, it is difficult to determine the effects on Kansas producers. In fact, their marketing pattern could fluctuate frequently depending upon the competition between slaughter facilities. However, it probably is safe to assume that some smaller producers will be impacted in the same way as described earlier if the hogs were shipped to the slaughter facility at Arkansas City. This may or may not directly impact Kansas producers; but surely some small producers will be impacted somewhere. Another reason it is reasonably safe to assume some impact on smaller producers is the unlikely increase in United States red meat consumption. (All red meat consumption has dropped significantly in the past several years in the United States.)

Any impact analysis must also consider the other economic consequences of locating such a facility in Kansas. According to the testimony from the representatives of the Dekalb Swine Breeder, Inc., they have annual expenditures as follows:

\$ 8.90 million - grain and feed
2.00 million - payroll
.55 million - natural gas
.40 million - electricity
.60 million - local truckers
\$13.45 million

The Seaboard and Pauls & Whites representative indicated that in their first phase they would make expenditures as follows:

\$ 3.32 million - confinement facilities
2.46 million - equipment
.22 million - offices
.25 million - feed mill
.20 million - utilities
.20 million - special equipment
\$ 6.65 million

They also expect to employ 26 individuals in the first stage of their operations. All of this is supposed to take place beginning in October, 1984. (That is, assuming S.B. 519 becomes law.) An estimate of the annual expenditures of the new facility (Phase I) are estimated below based upon the information provided by a Dekalb Swine Breeders representative and the information provided by the representative for Pauls & Whites.

Between 1.96 and 2.33 million - grain and feed
Between .39 and .43 million - payroll
.114 million - natural gas*
.156 million - electricity*
Between .132 and .157 million - local truckers
Between .22 and .26 million - supplies and maintenance
Between 2.97 and 3.48 million

* Source: Testimony from the representative of Pauls & Whites.

The economic impact these kinds of expenditures would have on a smaller community can not be overlooked. First of all, it would increase employment opportunities and stimulate income in the area. It would be an extra marketing opportunity for area farmers if they could contract their grain production with the new swine confinement facilities. The new facility could likely offer a premium for local producers since they would not have the capability of bringing in additional feed without significant transportation costs. It is difficult to estimate what the multiplier effect of income to farmers in a rural community would be.

The aforementioned advantages are not without their pitfalls. If the new swine confinement facility were to locate in a relatively small community, as did the Dekalb Swine Breeders, then with the size and magnitude of the investment, this one enterprise may become the dominant economic force in the community. This tends to make a community dependent upon the enterprise. With the owners of the enterprise(s) outside the community, their motivation is more than likely profit from the facility. If

the profit ceases for some reason, or for some other reason the controlling interests decide to abandon the facility, then a economic blow could be dealt the community. It could even be left with long-term services that would still require payment, (e.g., new schools, sewers, streets).

Another aspect to consider is the dependency upon natural resources. Testimony from the representative of the Pauls & Whites group specifically said they intended to use 3,000 gallons of water per hour for the 2,200 sows they intend to have for Phase I (in Phase III this would be 15,000 per hour). This does not count the water use necessary to grow the crops to feed swine. This would continue the demand for corn and grain sorghum to be raised in the area (that is, if the new Pauls & Whites facility locates at some point in the western one-third of the state where irrigation is predominate). The characteristics of wheat limit the percent that can be used efficiently in a feed for swine ration. Therefore these types of facilities will continue to place a burden on an already dwindling resource (water).

We have attempted to identify the main types of economic impact that the introduction of a large swine confinement facility might generate. Obviously there will be other types of impact that we have not anticipated.

TABLE I

Kansas Hog Operations by Year*

| | |
|------|--------|
| 1970 | 21,000 |
| 1971 | 22,000 |
| 1972 | 20,000 |
| 1973 | 19,000 |
| 1974 | 17,000 |
| 1975 | 14,500 |
| 1976 | 13,500 |
| 1977 | 15,000 |
| 1978 | 14,500 |
| 1979 | 15,000 |
| 1980 | 14,000 |
| 1981 | 13,000 |
| 1982 | 11,200 |
| 1983 | 9,700 |

104hd

164hd

* Source: Kansas State University, Agricultural Economics Extension Service

TABLE II

Number of Hogs and Pigs on Kansas Farms
As of December 1*

| | |
|------|-----------|
| 1970 | 2,202,000 |
| 1971 | 2,100,000 |
| 1972 | 2,100,000 |
| 1973 | 2,000,000 |
| 1974 | 1,750,000 |
| 1975 | 1,650,000 |
| 1976 | 1,850,000 |
| 1977 | 2,000,000 |
| 1978 | 2,000,000 |
| 1979 | 2,090,000 |
| 1980 | 1,900,000 |
| 1981 | 1,770,000 |
| 1982 | 1,670,000 |
| 1983 | 1,600,000 |

* Source: Kansas Crop and Livestock Reporting Service

TABLE III

Value of Production
Calendar Years*

| | |
|------|---------------|
| 1970 | \$161,101,000 |
| 1971 | 145,792,000 |
| 1972 | 202,759,000 |
| 1973 | 288,514,000 |
| 1974 | 257,020,000 |
| 1975 | 258,799,000 |
| 1976 | 279,756,000 |
| 1977 | 292,202,000 |
| 1978 | 318,285,000 |
| 1979 | 329,536,000 |
| 1980 | 283,878,000 |
| 1981 | 307,765,000 |
| 1982 | 338,741,000 |

* Source: Kansas Crop and Livestock
Reporting Service

LL

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

ROOM 545-N -- STATEHOUSE

Phone 296-3181

January 30, 1987

TO: Representative Jack Beauchamp

Office No. 174-W

RE: Corporate Farming Laws as They Have Applied to
the Feedlot Industry

You inquired as to the impact that previous and current Kansas corporate farming laws may have had upon the cattle feedlot industry.

As you may be aware, Kansas has had corporate farming restrictions for some time. The first appears to have been adopted in 1931. This statute prohibited corporations from engaging in growing wheat, corn, barley, oats, rye, or potatoes, or the milking of cows.

In 1965 major amendments were made to the law. For one thing, grain sorghums were added to the list of crops that were restricted. The 1965 amendments also made it possible for certain types of corporations, which met specific criteria, to engage in agricultural production of those restricted crops and the milking of cows. I have attached a copy of this enactment for your use.

Other modifications occurred between 1965 and 1981, but the basic concept remained the same. None of these bills restricted the possibility of a corporation from operating a feedlot due to the fact that this activity was not one of the ones listed as a prohibited agricultural activity.

In 1981, a completely new statute restricting corporate farming was enacted. This was after at least ten years of study by the Legislature. Most of what currently exists in our corporate farming statutes was enacted in 1981, including the exemption for feedlots. This exemption was included to clarify that the cattle feeding industry was not prohibited from acquiring agricultural land in acreage as is necessary for the operation of the feedlot. The current statute defines "feedlot" to mean a lot, yard, corral, or other area in which livestock fed for slaughter are confined. The term includes within its meaning agricultural land in such acreage as is necessary for the operation of the feedlot.

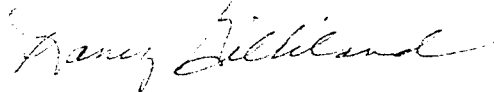
From looking at past statutes and the current one it seems clear that there have been no restrictions on corporations that may wish to operate a feedlot.

Attachment 10
02/02/87

Representative Beauchamp

- 2 -

I hope this has been helpful to you. If you have any questions please feel free to call.



Raney L. Gilliland
Principal Analyst

RLG/jsf

Enclosure

STATE OF KANSAS

SESSION LAWS, 1965

PASSED AT THE SIXTY-FIRST REGULAR SESSION—THE SAME
BEING THE FORTY-FOURTH BIENNIAL SESSION—
OF THE LEGISLATURE OF THE STATE
OF KANSAS



Date of Publication of this Volume
June 30, 1965

PRINTED BY
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TOPEKA, KANSAS

1965



30-7881

brought before such judge, proceed to a hearing of the case. The judge shall have power to enforce obedience to such subpoena, and the answering of any question, and the production of any evidence that may be proper by a fine, not exceeding one hundred dollars (\$100), or by imprisonment in the county jail, or by both fine and imprisonment, and to compel such witness to pay the costs of such proceedings to be taxed.

SEC. 2. Existing K. S. A. 16-509 is hereby amended to read as follows: 16-509. Notwithstanding the provisions of any retail installment contract to the contrary, any buyer may prepay in full, whether by payment in cash, extension, renewal, or otherwise, at any time before maturity the debt of any retail installment contract and in so paying such debt shall receive a refund credit thereon for such anticipation of payments. The amount of such refund shall represent at least as great a proportion of the finance charges as the sum of the monthly time balances scheduled to follow the first payment after the date of prepayment, bears to the sum of all the monthly time balances under the schedule of payments in the contract. Where the amount of credit is less than one dollar (\$1) no refund need be made.

SEC. 3. Existing K. S. A. 16-506 and 16-509 are hereby repealed.

SEC. 4. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 12, 1965.

CHAPTER 149

PURPOSES FOR FORMATION

Senate Bill No. 226

AN ACT relating to corporations, pertaining to the purposes for which they may be formed or permitted to do business in Kansas, amending existing K. S. A. 17-202a and 17-2701 and repealing said existing sections.

Be it enacted by the Legislature of the State of Kansas:

SECTION 1. Existing K. S. A. 17-202a is hereby amended to read as follows: 17-202a. Except as otherwise permitted in section 2 of this act, no Kansas corporation shall be granted a charter and no foreign corporation shall be given permission to do business in Kansas which Kansas or foreign corporation purposes to or will engage in the agricultural or horticultural business of producing, planting, raising, harvesting or gathering wheat, corn, barley, oats, rye or potatoes, or the milking of cows for dairy purposes.

SEC. 2. Existing K. S. A. 17-2701 is hereby amended to read as follows: 17-2701. Any number of natural persons, not less than three (3), may associate to establish a corporation for the transaction of any lawful business or to promote or conduct any legitimate objects or purposes for which natural persons may lawfully associate themselves together, other than the practice of a learned

profession, upon making and filing written articles of incorporation in the manner hereinafter mentioned: *Provided, however,* That no domestic corporation shall be organized and no foreign corporation shall be given permission to do business in this state for the purpose of engaging in the agricultural or horticultural business of producing, planting, raising, harvesting, or gathering of wheat, corn, grain sorghums, barley, oats, rye, or potatoes or the milking of cows for dairy purposes: *Provided further,* Nothing herein contained shall prevent a domestic corporation from engaging in any agricultural or horticultural business of producing, planting, raising, harvesting or gathering of wheat, corn, grain sorghums, barley, oats, rye or potatoes or the milking of cows for dairy purposes if (a) such corporation does not have more than ten stockholders; (b) all of the stockholders of the corporation are individuals, trustees, natural or corporate, under trust instruments wherein individuals or classes of individuals are designated as primary or principal beneficiaries or guardians, conservators, executors or administrators of individuals; (c) all of the incorporators are residents of this state; and (d) such corporation does not either directly or indirectly own, control, manage or supervise a total of more than five thousand (5,000) acres of land; and (e) none of the stockholders own stock in another corporation authorized to engage in any agricultural or horticultural business of producing, planting, raising, harvesting or gathering of wheat, corn, grain sorghums, barley, oats, rye or potatoes or the milking of cows for dairy purposes: *Provided further,* Nothing herein contained shall prevent a corporation, either domestic or foreign, organized for coal mining purposes from engaging in the agricultural or horticultural business on any tract of land owned by it which has been strip mined for coal.

SEC. 3. Existing K. S. A. 17-202a and 17-2701 are hereby repealed.

SEC. 4. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 15, 1965.

CHAPTER 150

CORPORATIONS: REPEAL OF CERTAIN SECTIONS

House Bill No. 948

AN ACT relating to corporations, amending existing K. S. A. 17-1254, 17-1266, 17-2002, 17-2005, 17-2006, 17-4903, 17-5002, 17-5003, 17-5004, 17-5614, 17-5615, 17-5616, 17-5617, 17-5618, 17-5619, 17-5620, 17-5621 and 17-5622 and repealing said existing sections.

Be it enacted by the Legislature of the State of Kansas:

SECTION 1. Existing K. S. A. 17-1254 is hereby amended to read as follows: 17-1254. (a) It is unlawful for any person to engage in business in this state as a broker-dealer, except in transactions exempt under K. S. A. 17-1262, unless he is registered as a broker-dealer under this section; and it is unlawful for any person to engage

in business in this state under K. S. A. 17-1262 as an agent for a partnership or for a special partnership.

(b) A broker-dealer with the commission on securities shall provide the applicant with the information required by the commission (and, in the case of partnerships or partners, that his knowledge, skills and experience are sufficient to conduct the business, that he is not a defaulter, and that he is not a defaulter of any partnership or partnership).

(c) Before registering a broker-dealer, the commission shall require the applicant to file a bond with the state in the amount of the provisions of the bond to be executed under the bond. The original registration shall have a right of making a sale in the total liability of the bond.

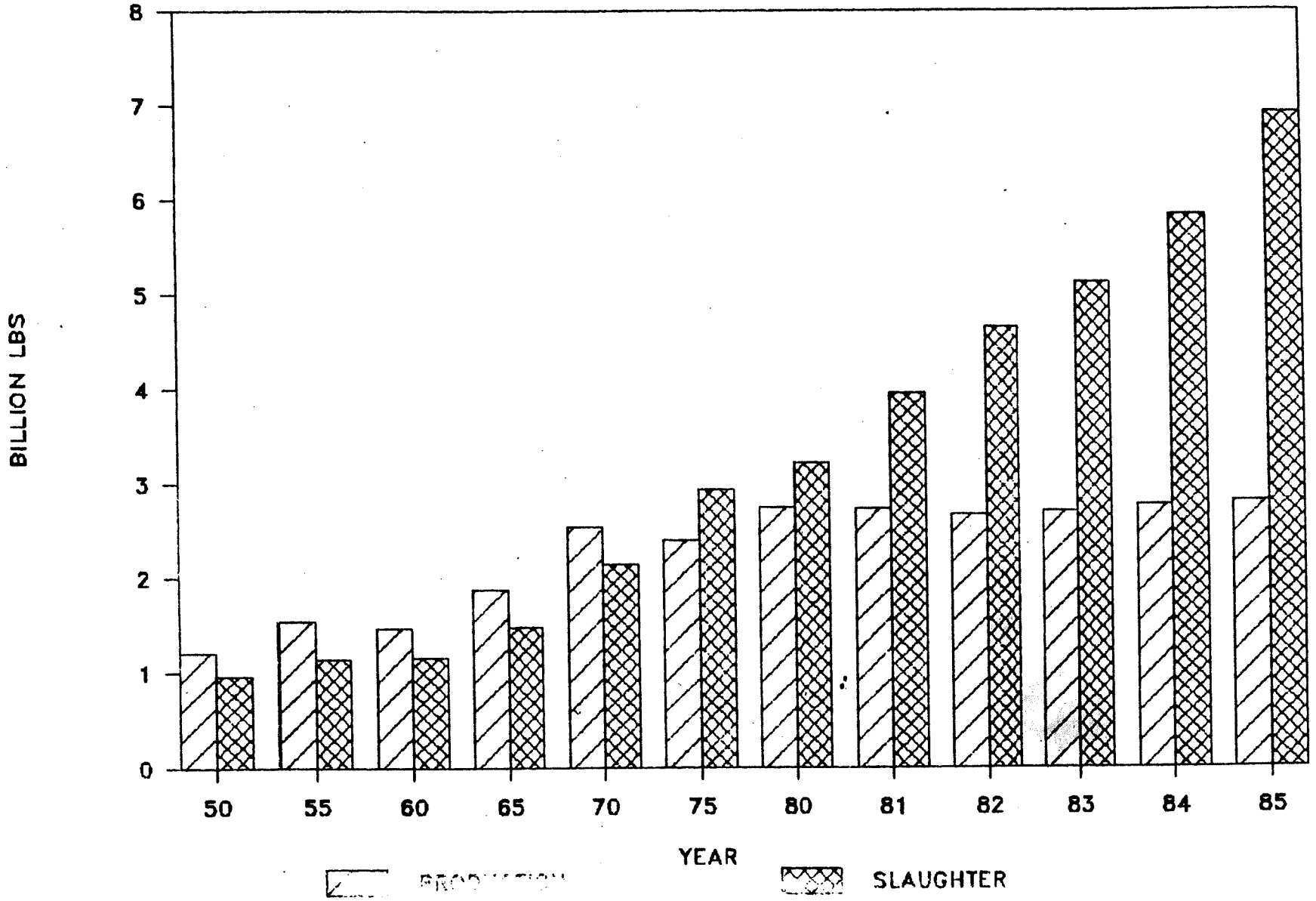
(d) The name of the broker-dealer shall be kept in the office of the commission. This section shall not apply to any registration of a bond as heretofore provided, unless the commission is notified otherwise, they shall be subject to the provisions of this section.

(e) When a broker-dealer issues or registers such agent, the broker-dealer shall promptly notify the commission of a partnership or partnership of any broker-dealer.

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KANSAS CATTLE

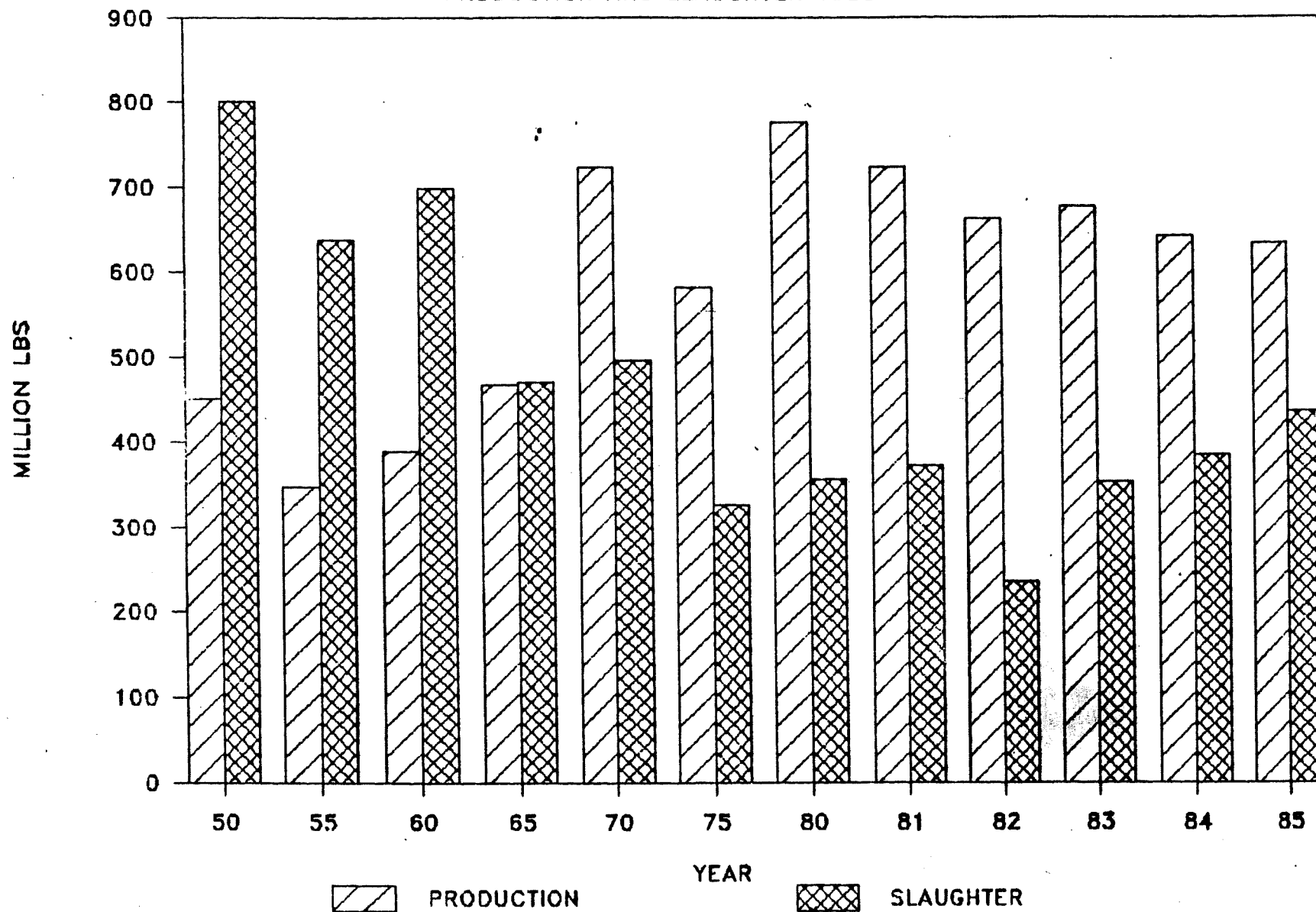
PRODUCTION AND SLAUGHTER 1950 - 1985



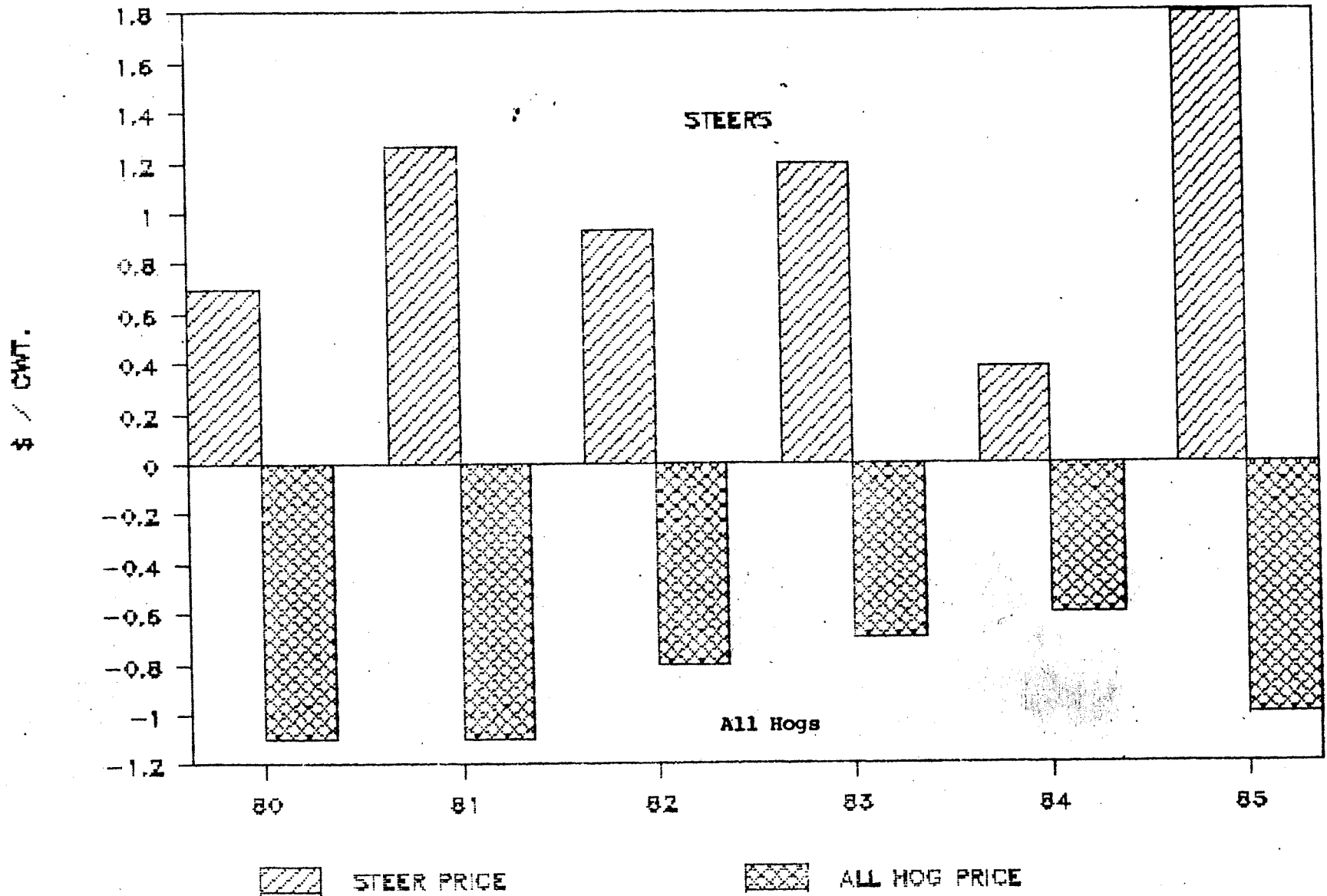
Attachment II
02/02/87

KANSAS HOG

PRODUCTION AND SLAUGHTER 1950 - 1985



STEERS VS. ALL HOG PRICE DEPARTURES



YEARLY AVG PRICE CHOICE STEERS, 900-1300 LBS.

DODGE CITY AND OMAHA, 1981 - 1985

\$ / CWT.

| YEAR | DODGE CITY * | OMAHA | (+ / -) DODGE VS OMAHA |
|------|--------------|---------|---------------------------|
| 1980 | \$67.75 | \$67.06 | \$0.70 |
| 81 | 65.26 | 64.00 | 1.27 |
| 82 | 65.76 | 64.83 | 0.93 |
| 83 | 64.35 | 63.15 | 1.20 |
| 84 | 66.66 | 66.27 | 0.39 |
| 85 | 60.76 | 58.96 | 1.80 |

* WESTERN KANSAS MARKET NEWS SERVICE

YEARLY AVG PRICE ALL HOGS

KANSAS AND U. S. PRICE, 1981 - 1985

\$ / CWT.

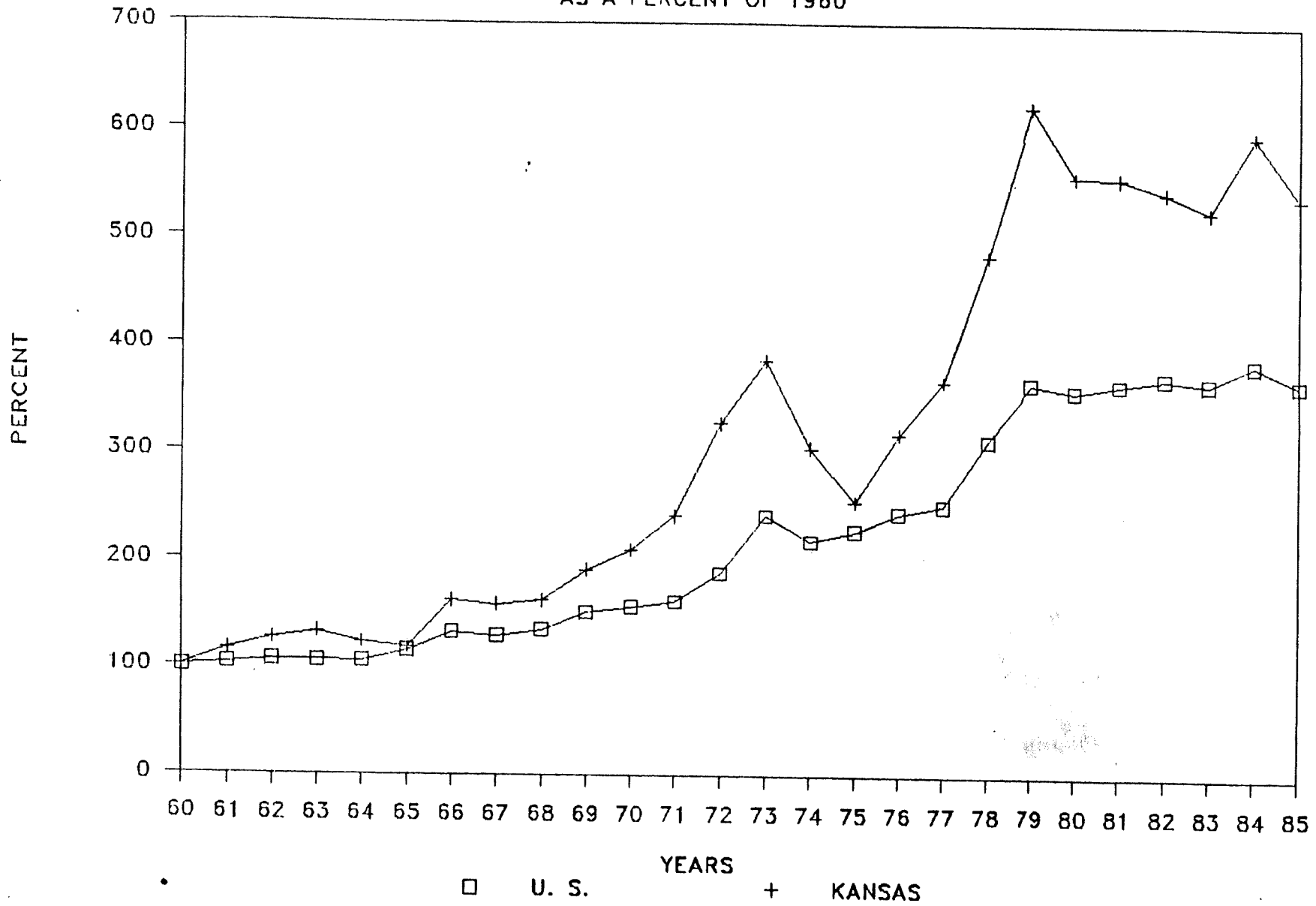
| YEAR | KANSAS | U. S. PRICE | (+ / -) KANSAS VS U. S. |
|------|---------|----------------|----------------------------|
| 80 | \$36.90 | \$38.00 | -1.10 |
| 81 | 42.80 | 43.90 | -1.10 |
| 82 | 51.50 | 52.30 | -0.80 |
| 83 | 46.10 | 46.80 | -0.70 |
| 84 | 46.50 | 47.10 | -0.60 |
| 85 | 43.00 | 44.00 | -1.00 |

NUMBER OF PIG AND PIG FARMS

| YEAR | KANSAS | | | | U. S. | | |
|------|--------------|---------------|-----------|------------|--------------|---------------|-----------|
| | FARM NUMBERS | % CHG PREV YR | % OF 1965 | % OF U. S. | FARM NUMBERS | % CHG PREV YR | % OF 1965 |
| 1965 | 22,000 | | 100% | 2.08% | 1,057,570 | | 100% |
| 66 | 21,000 | 95% | 95% | 1.99% | 1,055,950 | 100% | 100% |
| 67 | 21,000 | 100% | 95% | 2.02% | 1,042,140 | 99% | 99% |
| 68 | 20,300 | 97% | 92% | 2.10% | 967,580 | 93% | 91% |
| 69 | 20,000 | 99% | 91% | 2.29% | 873,840 | 90% | 83% |
| 1970 | 21,000 | 105% | 95% | 2.41% | 871,200 | 100% | 82% |
| 71 | 22,000 | 105% | 100% | 2.53% | 869,600 | 100% | 82% |
| 72 | 20,000 | 91% | 91% | 2.57% | 778,200 | 89% | 74% |
| 73 | 19,000 | 95% | 86% | 2.58% | 735,700 | 95% | 70% |
| 74 | 17,000 | 89% | 77% | 2.32% | 733,100 | 100% | 69% |
| 75 | 14,500 | 85% | 66% | 2.19% | 661,700 | 90% | 63% |
| 76 | 13,500 | 93% | 61% | 2.05% | 658,300 | 99% | 62% |
| 77 | 15,000 | 111% | 68% | 2.32% | 647,000 | 98% | 61% |
| 78 | 14,500 | 97% | 66% | 2.28% | 635,300 | 98% | 60% |
| 79 | 15,000 | 103% | 68% | 2.29% | 653,600 | 103% | 62% |
| 1980 | 14,000 | 93% | 64% | 2.09% | 670,350 | 103% | 63% |
| 81 | 13,000 | 93% | 59% | 2.24% | 580,060 | 87% | 55% |
| 82 | 11,200 | 86% | 51% | 2.32% | 482,190 | 83% | 46% |
| 83 | 9,400 | 84% | 43% | 2.03% | 462,110 | 96% | 44% |
| 84 | 8,800 | 94% | 40% | 2.05% | 429,580 | 93% | 41% |
| 85 | 8,300 | 94% | 38% | 2.10% | 395,510 | 92% | 37% |

U.S. AND KANSAS LIVESTOCK CASH RECEIPTS

AS A PERCENT OF 1960



-PERCENT OF CASH RECEIPTS FROM MARKETINGS

| Year | Crops | | | Livestock and products | | | | | Total Crops and Live-stock | |
|------------------|-------|-------------|-------------|------------------------|------|----------------|------------------|------------------|----------------------------|-------------------------------|
| | Wheat | Other Crops | Total Crops | Cattle and Calves | Hogs | Dairy Products | Poultry and Eggs | Other Live-stock | | Total Live-stock and Products |
| PERCENT OF TOTAL | | | | | | | | | | |
| 1930... | 24.3 | 10.2 | 34.5 | 29.1 | 15.0 | 9.0 | 10.5 | 1.9 | 65.5 | 100.0 |
| 1940... | 28.8 | 7.1 | 35.9 | 31.9 | 8.7 | 12.4 | 8.6 | 2.5 | 64.1 | 100.0 |
| 1950... | 33.7 | 11.0 | 44.7 | 34.0 | 6.6 | 6.1 | 5.5 | 3.1 | 55.3 | 100.0 |
| 1960... | 35.8 | 14.4 | 50.2 | 35.7 | 4.9 | 5.1 | 2.8 | 1.3 | 49.8 | 100.0 |
| 1970... | 22.4 | 13.9 | 36.3 | 49.9 | 7.4 | 4.8 | 1.1 | .5 | 63.7 | 100.0 |
| 1975... | 32.6 | 21.0 | 53.6 | 33.8 | 7.6 | 3.6 | .7 | .7 | 46.4 | 100.0 |
| 1979... | 25.4 | 15.0 | 40.4 | 50.7 | 5.3 | 2.5 | .4 | .7 | 59.6 | 100.0 |
| 1980... | 24.6 | 16.6 | 41.2 | 49.7 | 5.1 | 3.0 | .3 | .7 | 58.8 | 100.0 |
| 1981... | 23.3 | 16.1 | 39.4 | 50.5 | 5.7 | 3.4 | .4 | .6 | 60.6 | 100.0 |
| 1982... | 25.5 | 18.2 | 43.7 | 46.2 | 5.9 | 3.2 | .4 | .6 | 56.3 | 100.0 |
| 1983... | 26.3 | 14.5 | 40.8 | 48.8 | 5.8 | 3.6 | .4 | .6 | 59.2 | 100.0 |
| 1984... | 24.9 | 15.1 | 40.0 | 51.2 | 5.0 | 2.8 | .5 | .5 | 60.0 | 100.0 |
| 1985... | 23.8 | 19.4 | 43.2 | 48.0 | 4.8 | 3.0 | .4 | .6 | 56.8 | 100.0 |

GRAIN PRICES, SEASON AVERAGE, KANSAS, SOUTHWEST CROP REPORTING DISTRICT,
AND SOUTHWEST CROP REPORTING DISTRICT PREMIUM, 1960-1985

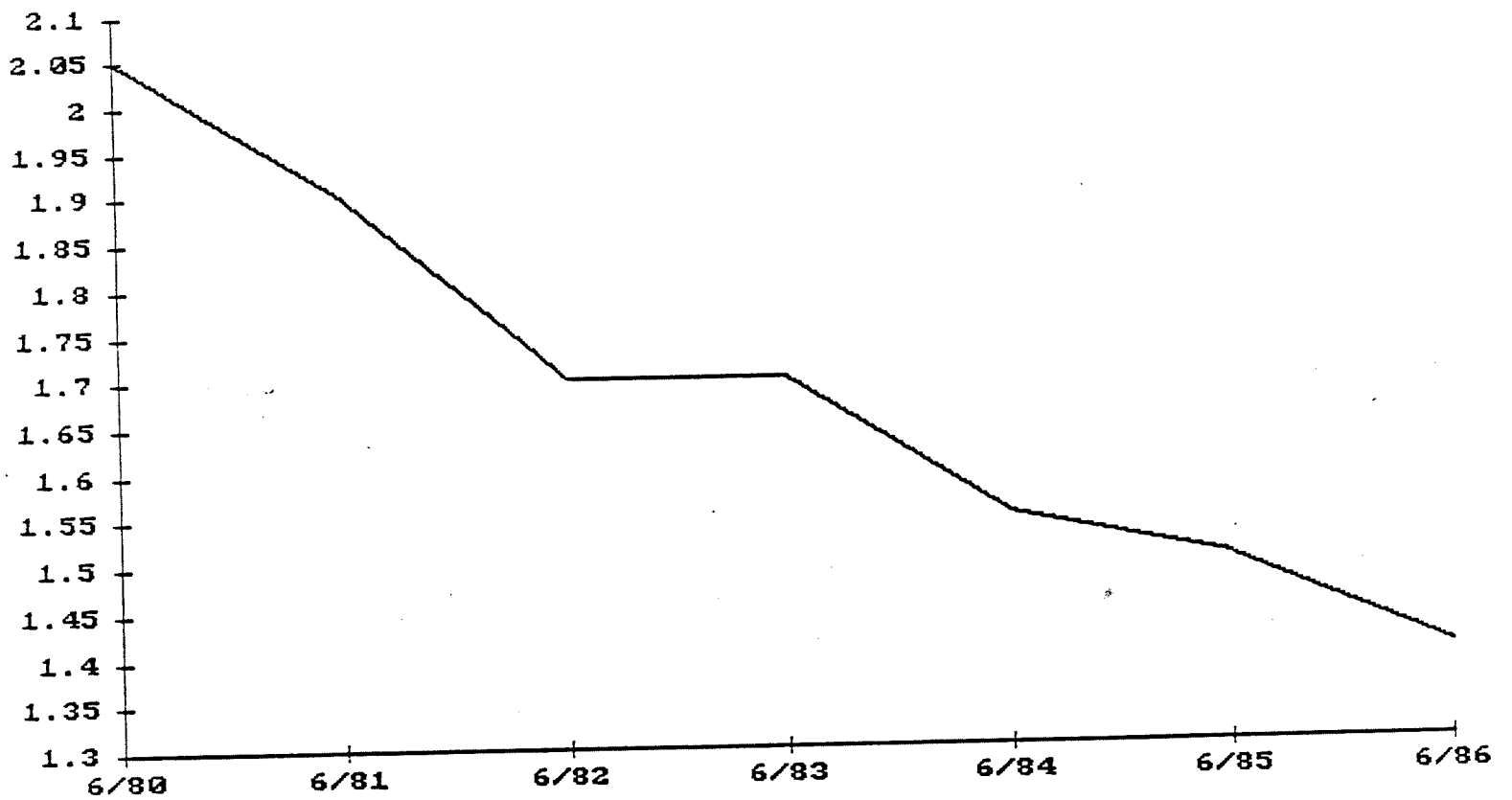
| Year | Wheat | | | Corn | | | Sorghum | | |
|------------|--------|--------------------|-------------------|--------|--------------------|-------------------|---------|--------------------|-------------------|
| | State | Southwest District | Southwest Premium | State | Southwest District | Southwest Premium | State | Southwest District | Southwest Premium |
| 1960 | \$1.74 | \$1.74 | \$ NC | \$.98 | \$1.02 | \$.04 | \$.78 | \$.78 | \$ NC |
| 1961 | 1.79 | 1.80 | +.01 | 1.08 | 1.03 | -.05 | .96 | .96 | NC |
| 1962 | 2.06 | 2.08 | +.02 | 1.10 | 1.09 | -.01 | .96 | .98 | +.02 |
| 1963 | 1.86 | 1.86 | NC | 1.12 | 1.10 | -.02 | .92 | .92 | NC |
| 1964 | 1.37 | 1.36 | -.01 | 1.19 | 1.16 | -.03 | 1.04 | 1.05 | +.01 |
| 1965 | 1.35 | 1.35 | NC | 1.17 | 1.15 | -.02 | .97 | .98 | +.01 |
| 1966 | 1.64 | 1.63 | -.01 | 1.28 | 1.21 | -.07 | 1.03 | 1.00 | -.03 |
| 1967 | 1.35 | 1.33 | -.02 | 1.06 | .99 | -.07 | .94 | .91 | -.03 |
| 1968 | 1.22 | 1.26 | +.04 | 1.06 | 1.04 | -.02 | .91 | .92 | +.01 |
| 1969 | 1.19 | 1.19 | NC | 1.13 | 1.13 | NC | .99 | 1.02 | +.03 |
| 1970 | 1.25 | 1.24 | -.01 | 1.31 | 1.27 | -.04 | 1.12 | 1.10 | -.02 |
| 1971 | 1.32 | 1.33 | +.01 | 1.12 | 1.16 | +.04 | .95 | 1.02 | +.07 |
| 1972 | 1.68 | 1.68 | NC | 1.52 | 1.57 | +.05 | 1.39 | 1.46 | +.07 |
| 1973 | 3.75 | 3.76 | +.01 | 2.46 | 2.49 | +.03 | 2.13 | 2.25 | +.12 |
| 1974 | 3.86 | 3.84 | -.02 | 3.01 | 2.96 | -.05 | 2.69 | 2.68 | -.01 |
| 1975 | 3.42 | 3.40 | -.02 | 2.50 | 2.54 | +.04 | 2.27 | 2.28 | +.01 |
| 1976 | 2.59 | 2.58 | -.01 | 2.12 | 2.12 | NC | 1.86 | 1.87 | +.01 |
| 1977 | 2.24 | 2.23 | -.01 | 1.99 | 2.04 | +.05 | 1.74 | 1.81 | +.07 |
| 1978 | 2.89 | 2.88 | -.01 | 2.35 | 2.41 | +.06 | 1.99 | 2.07 | +.08 |
| 1979 | 3.72 | 3.68 | -.04 | 2.51 | 2.61 | +.10 | 2.20 | 2.24 | +.04 |
| 1980 | 3.78 | 3.73 | -.05 | 3.32 | 3.38 | +.06 | 2.91 | 2.94 | +.03 |
| 1981 | 3.76 | 3.63 | -.13 | 2.58 | 2.66 | +.08 | 2.30 | 2.34 | +.04 |
| 1982 | 3.56 | 3.47 | -.09 | 2.76 | 2.85 | +.09 | 2.67 | 2.76 | +.10 |
| 1983 | 3.46 | 3.37 | -.09 | 3.25 | 3.28 | +.03 | 2.70 | 2.70 | NC |
| 1984 | 3.32 | 3.23 | -.09 | 2.77 | 2.80 | +.03 | 2.25 | 2.31 | +.06 |
| Pre1. 1985 | 3.05 | 3.00 | -.05 | 2.45 | 2.52 | +.07 | 2.30 | 2.46 | +.16 |

CIVILIAN LABOR FORCE EMPLOYMENT*

| Year | Finney County | Ford County | State |
|----------------|---------------|-------------|-----------|
| 1976 | 10,657 | 11,459 | 1,040,000 |
| 1977 | | | 1,064,700 |
| 1978 | | | 1,112,400 |
| 1979 | 12,788 | 12,673 | 1,157,000 |
| 1980 | 12,900 | 13,125 | 1,172,700 |
| 1981 | 14,648 | 13,920 | 1,138,000 |
| 1982 | 15,675 | 13,400 | 1,143,300 |
| 1983 | 16,475 | 12,975 | 1,106,200 |
| 1984 | 17,165 | 13,987 | 1,101,557 |
| 1985 | 17,263 | 14,601 | 1,155,455 |
| 1985/1976 Chg. | +62% | +27% | +11% |
| 1985/1980 Chg. | +34% | +11% | -1.5% |

Source: Kansas Statistical Abstract

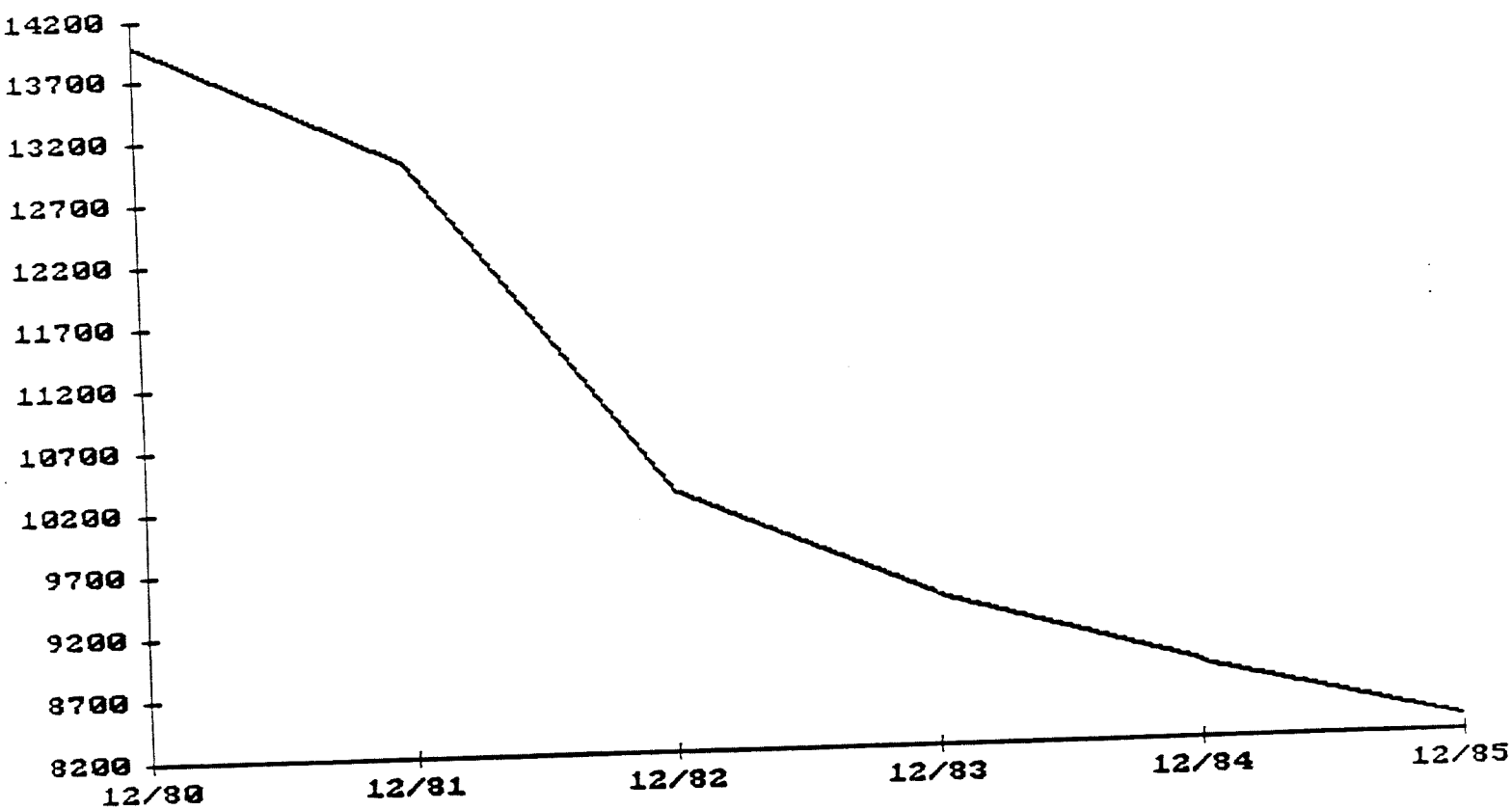
TOTAL KANSAS HOG INVENTORY
(Millions)



Hog numbers decreased 32% from 1980 to 1986.

Source: U.S.D.A.

NUMBER OF OPERATIONS
WITH HOGS IN KANSAS



Percentage decrease in Kansas from 1980 to 1985 - 42%.

Source: U.S.D.A.

KANSAS AND U. S.

NUMBER OF CATTLE MARKETED

| YEAR | KANSAS | | | U. S. | |
|------|----------------------------|--------------|--------------|----------------------------|--------------|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U.S. | NUMBER OF HEAD (000) | % OF 1965 |
| 1965 | 857 | 100% | 5% | 17,926 | 100% |
| 1970 | 1,890 | 221% | 8% | 24,933 | 139% |
| 1975 | 2,264 | 264% | 11% | 20,504 | 114% |
| 1980 | 3,015 | 352% | 13% | 23,209 | 129% |
| 81 | 2,985 | 348% | 14% | 21,219 | 118% |
| 82 | 3,237 | 378% | 15% | 21,799 | 122% |
| 83 | 3,401 | 397% | 15% | 22,528 | 126% |
| 84 | 3,655 | 426% | 16% | 22,540 | 126% |
| 85 | 3,865 | 451% | 17% | 22,887 | 128% |

KANSAS AND U. S.

NUMBER OF CATTLE SLAUGHTERED

| YEAR | KANSAS | | | U. S. | | |
|------|----------------------------|--------------|---------------|----------------------------|--------------|--|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U. S. | NUMBER OF HEAD (000) | % OF 1965 | |
| 1965 | 1,477.0 | 100% | 5% | 32,397.9 | 100% | |
| 1970 | 2,014.0 | 136% | 6% | 35,086.7 | 108% | |
| 1975 | 2,826.0 | 191% | 7% | 40,911.2 | 126% | |
| 1980 | 2,968.1 | 201% | 9% | 33,806.7 | 104% | |
| 81 | 3,618.8 | 245% | 10% | 34,953.4 | 108% | |
| 82 | 4,290.4 | 290% | 12% | 35,843.3 | 111% | |
| 83 | 4,709.0 | 319% | 13% | 36,648.9 | 113% | |
| 84 | 5,355.1 | 363% | 14% | 37,581.8 | 116% | |
| 85 | 6,191.9 | 419% | 17% | 36,292.7 | 112% | |

NEBRASKA AND U. S.

NUMBER OF CATTLE MARKETED

| YEAR | NEBRASKA | | | U. S. | |
|------|----------------------------|--------------|---------------|----------------------------|--------------|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U. S. | NUMBER OF HEAD (000) | % OF 1965 |
| 1965 | 2,438 | 100% | 14% | 17,926 | 100% |
| 1970 | 3,609 | 148% | 14% | 24,933 | 139% |
| 1975 | 3,795 | 156% | 19% | 20,504 | 114% |
| 1980 | 3,825 | 157% | 16% | 23,209 | 129% |
| 81 | 4,050 | 166% | 19% | 21,219 | 118% |
| 82 | 4,500 | 185% | 21% | 21,799 | 122% |
| 83 | 4,580 | 188% | 20% | 22,528 | 126% |
| 84 | 4,220 | 173% | 19% | 22,540 | 126% |
| 85 | 4,600 | 189% | 20% | 22,887 | 128% |

NEBRASKA AND U. S.

NUMBER OF CATTLE SLAUGHTERED

| YEAR | NEBRASKA | | | | U. S. | |
|------|----------------------------|--------------|---------------|--|----------------------------|--------------|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U. S. | | NUMBER OF HEAD (000) | % OF 1965 |
| 1965 | 2,879.0 | 100% | 9% | | 32,397.9 | 100% |
| 1970 | 4,338.0 | 151% | 12% | | 35,086.7 | 108% |
| 1975 | 4,777.0 | 166% | 12% | | 40,911.2 | 126% |
| 1980 | 5,611.6 | 195% | 17% | | 33,806.7 | 104% |
| 81 | 5,919.7 | 206% | 17% | | 34,953.4 | 108% |
| 82 | 5,658.8 | 197% | 16% | | 35,843.3 | 111% |
| 83 | 5,071.1 | 176% | 14% | | 36,648.9 | 113% |
| 84 | 5,316.3 | 185% | 14% | | 37,581.8 | 116% |
| 85 | 5,606.1 | 195% | 15% | | 36,292.7 | 112% |

IOWA AND U. S.

NUMBER OF CATTLE MARKETED

| YEAR | IOWA | | U. S. | | |
|------|----------------------------|--------------|---------------|----------------------------|--------------|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U. S. | NUMBER OF HEAD (000) | % OF 1965 |
| 1965 | 3,293 | 100% | 18% | 17,926 | 100% |
| 1970 | 4,583 | 139% | 18% | 24,933 | 139% |
| 1975 | 2,645 | 80% | 13% | 20,504 | 114% |
| 1980 | 2,690 | 82% | 12% | 23,209 | 129% |
| 81 | 2,700 | 82% | 13% | 21,219 | 118% |
| 82 | 2,503 | 76% | 11% | 21,799 | 122% |
| 83 | 2,493 | 76% | 11% | 22,528 | 126% |
| 84 | 1,924 | 58% | 9% | 22,540 | 126% |
| 85 | 1,825 | 55% | 8% | 22,887 | 128% |

IOWA AND U. S.

NUMBER OF CATTLE SLAUGHTERED

| YEAR | NUMBER OF HEAD (000) | IOWA | | | U. S. | |
|------|----------------------------|--------------|---------------|--|----------------------------|--------------|
| | | % OF 1965 | % OF U. S. | | NUMBER OF HEAD (000) | % OF 1965 |
| 1965 | 3,987.0 | 100% | 12% | | 32,397.9 | 100% |
| 1970 | 4,322.0 | 108% | 12% | | 35,086.7 | 108% |
| 1975 | 4,167.0 | 105% | 10% | | 40,911.2 | 126% |
| 1980 | 2,999.0 | 75% | 9% | | 33,806.7 | 104% |
| 81 | 3,370.9 | 85% | 10% | | 34,953.4 | 108% |
| 82 | 3,231.5 | 81% | 9% | | 35,843.3 | 111% |
| 83 | 3,296.3 | 83% | 9% | | 36,648.9 | 113% |
| 84 | 2,594.1 | 65% | 7% | | 37,581.8 | 116% |
| 85 | 1,992.8 | 50% | 5% | | 36,292.7 | 112% |

KANSAS AND U. S.

NUMBER OF HOGS & PIGS MARKETED

| YEAR | KANSAS | | | U. S. | |
|------|----------------------------|--------------|---------------|----------------------------|--------------|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U. S. | NUMBER OF HEAD (000) | % OF 1965 |
| 1965 | 2,001 | 100% | 3% | 78,127 | 100% |
| 1970 | 2,719 | 136% | 3% | 86,919 | 111% |
| 1975 | 2,442 | 122% | 3% | 73,627 | 94% |
| 1980 | 3,300 | 165% | 3% | 100,651 | 129% |
| 81 | 3,069 | 153% | 3% | 95,986 | 123% |
| 82 | 2,754 | 138% | 3% | 86,398 | 111% |
| 83 | 2,758 | 138% | 3% | 89,129 | 114% |
| 84 | 2,612 | 131% | 3% | 87,344 | 112% |
| 85 | 2,636 | 132% | 3% | 86,583 | 111% |

KANSAS AND U. S.

NUMBER OF HOGS & PIGS SLAUGHTERED

| YEAR | KANSAS | | | | U. S. | |
|------|----------------------------|--------------|---------------|--|----------------------------|--------------|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U. S. | | NUMBER OF HEAD (000) | % OF 1965 |
| 1965 | 1,971.0 | 100% | 3% | | 73,852.3 | 100% |
| 1970 | 1,998.0 | 101% | 2% | | 85,867.4 | 116% |
| 1975 | 1,363.0 | 69% | 2% | | 68,686.8 | 93% |
| 1980 | 1,459.8 | 74% | 2% | | 96,074.1 | 130% |
| 81 | 1,515.6 | 77% | 2% | | 91,575.0 | 124% |
| 82 | 938.4 | 48% | 1% | | 82,189.7 | 111% |
| 83 | 1,417.2 | 72% | 2% | | 87,584.3 | 119% |
| 84 | 1,506.2 | 76% | 2% | | 85,168.1 | 115% |
| 85 | 1,646.2 | 84% | 2% | | 84,491.9 | 114% |

NEBRASKA AND U. S.

NUMBER OF HOGS & PIGS MARKETED

| YEAR | NEBRASKA | | | U. S. | | |
|------|----------------------------|--------------|---------------|----------------------------|--------------|--|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U. S. | NUMBER OF HEAD (000) | % OF 1965 | |
| 1965 | 4,189 | 100% | 5% | 78,127 | 100% | |
| 1970 | 5,017 | 120% | 6% | 86,919 | 111% | |
| 1975 | 4,411 | 105% | 6% | 73,627 | 94% | |
| 1980 | 6,602 | 158% | 7% | 100,651 | 129% | |
| 81 | 6,143 | 147% | 6% | 95,986 | 123% | |
| 82 | 6,104 | 146% | 7% | 86,398 | 111% | |
| 83 | 6,026 | 144% | 7% | 89,129 | 114% | |
| 84 | 5,903 | 141% | 7% | 87,344 | 112% | |
| 85 | 5,629 | 134% | 7% | 86,583 | 111% | |

NEBRASKA AND U. S.

NUMBER OF HOGS & PIGS SLAUGHTERED

| YEAR | NEBRASKA | | | | U. S. | |
|------|----------------------------|--------------|--------------|--|----------------------------|--------------|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U.S. | | NUMBER OF HEAD (000) | % OF 1965 |
| 1965 | 3,444.0 | 100% | 5% | | 73,852.3 | 100% |
| 1970 | 2,566.0 | 75% | 3% | | 85,867.4 | 116% |
| 1975 | 2,907.0 | 84% | 4% | | 68,686.8 | 93% |
| 1980 | 4,581.0 | 133% | 5% | | 96,074.1 | 130% |
| 81 | 4,445.6 | 129% | 5% | | 91,575.0 | 124% |
| 82 | 4,334.9 | 126% | 5% | | 82,189.7 | 111% |
| 83 | 4,626.6 | 134% | 5% | | 87,584.3 | 119% |
| 84 | 4,118.0 | 120% | 5% | | 85,168.1 | 115% |
| 85 | 5,052.0 | 147% | 6% | | 84,491.9 | 114% |

IOWA AND U. S.

NUMBER OF HOGS & PIGS MARKETED

| YEAR | IOWA | | U. S. | | |
|------|----------------------------|--------------|---------------|----------------------------|--------------|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U. S. | NUMBER OF HEAD (000) | % OF 1965 |
| 1965 | 19,081 | 100% | 24% | 78,127 | 100% |
| 1970 | 20,003 | 105% | 23% | 86,919 | 111% |
| 1975 | 16,871 | 88% | 23% | 73,627 | 94% |
| 1980 | 23,409 | 123% | 23% | 100,651 | 129% |
| 81 | 23,324 | 122% | 24% | 95,986 | 123% |
| 82 | 22,988 | 120% | 27% | 86,398 | 111% |
| 83 | 22,651 | 119% | 25% | 89,129 | 114% |
| 84 | 22,286 | 117% | 26% | 87,344 | 112% |
| 85 | 22,814 | 120% | 26% | 86,583 | 111% |

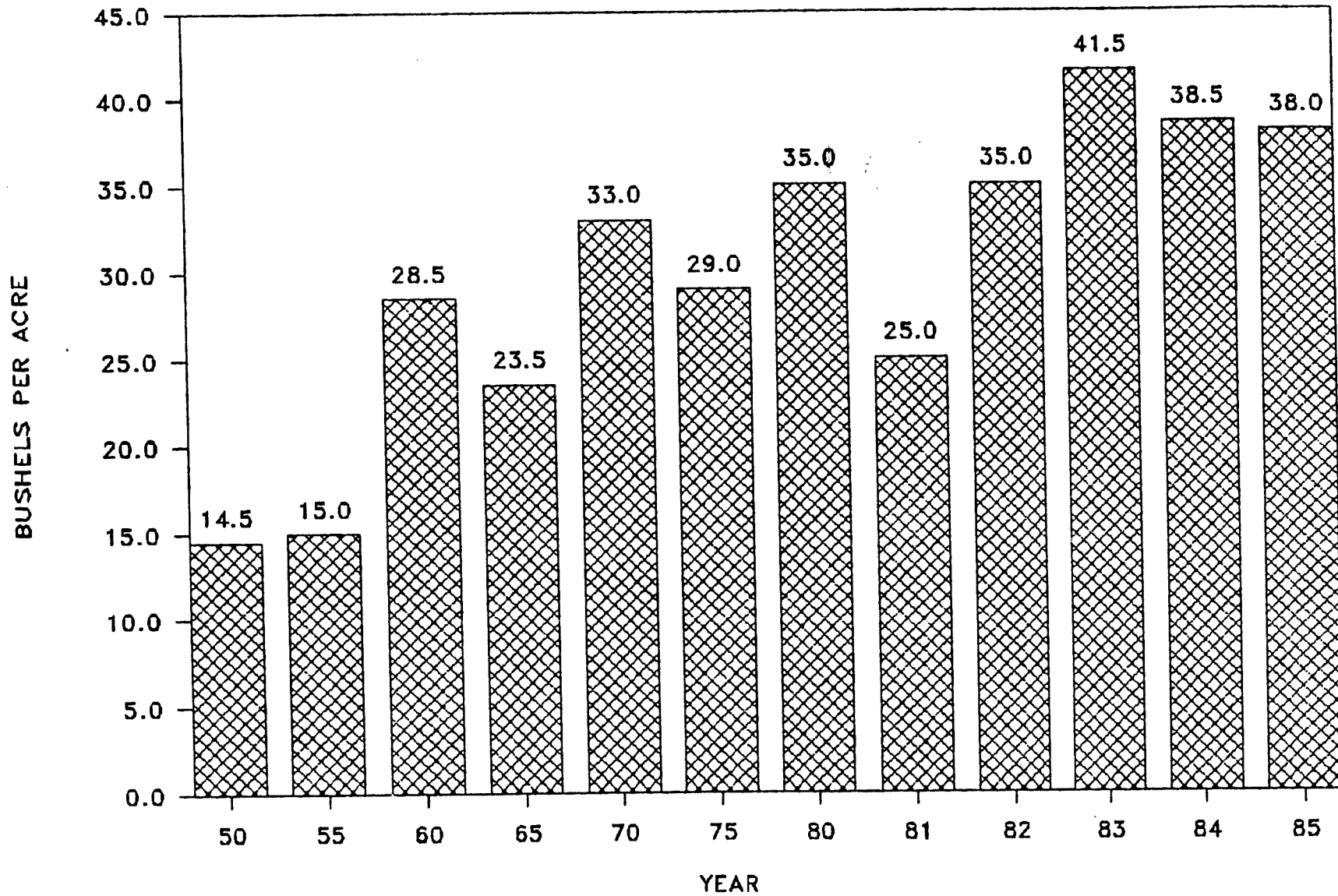
IOWA AND U. S.

NUMBER OF HOGS & PIGS SLAUGHTERED

| YEAR | IOWA | | | U. S. | |
|------|----------------------------|--------------|--------------|----------------------------|--------------|
| | NUMBER OF HEAD (000) | % OF 1965 | % OF U.S. | NUMBER OF HEAD (000) | % OF 1965 |
| 1965 | 15,406.0 | 100% | 21% | 73,852.3 | 100% |
| 1970 | 22,094.0 | 143% | 26% | 85,867.4 | 116% |
| 1975 | 15,190.0 | 99% | 22% | 68,686.8 | 93% |
| 1980 | 25,498.1 | 166% | 27% | 96,074.1 | 130% |
| 81 | 24,154.5 | 157% | 26% | 91,575.0 | 124% |
| 82 | 18,663.2 | 121% | 23% | 82,189.7 | 111% |
| 83 | 21,427.6 | 139% | 24% | 87,584.3 | 119% |
| 84 | 20,885.8 | 136% | 25% | 85,168.1 | 115% |
| 85 | 21,096.2 | 137% | 25% | 84,491.9 | 114% |

KANSAS WHEAT YIELDS

1950 - 1985

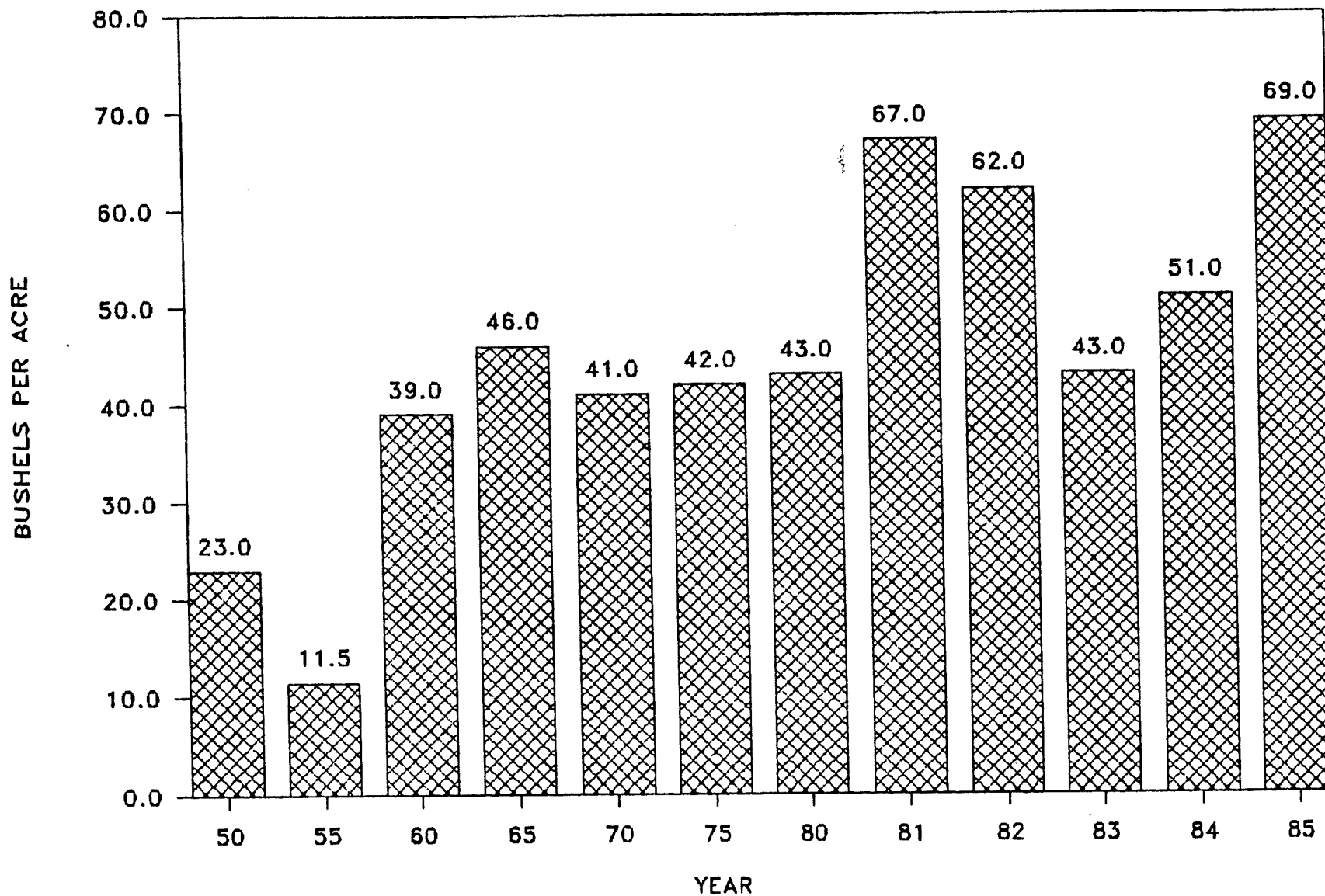


Attachment 12
02/02/87

2 1/2 times
increase

KANSAS SORGHUM YIELDS

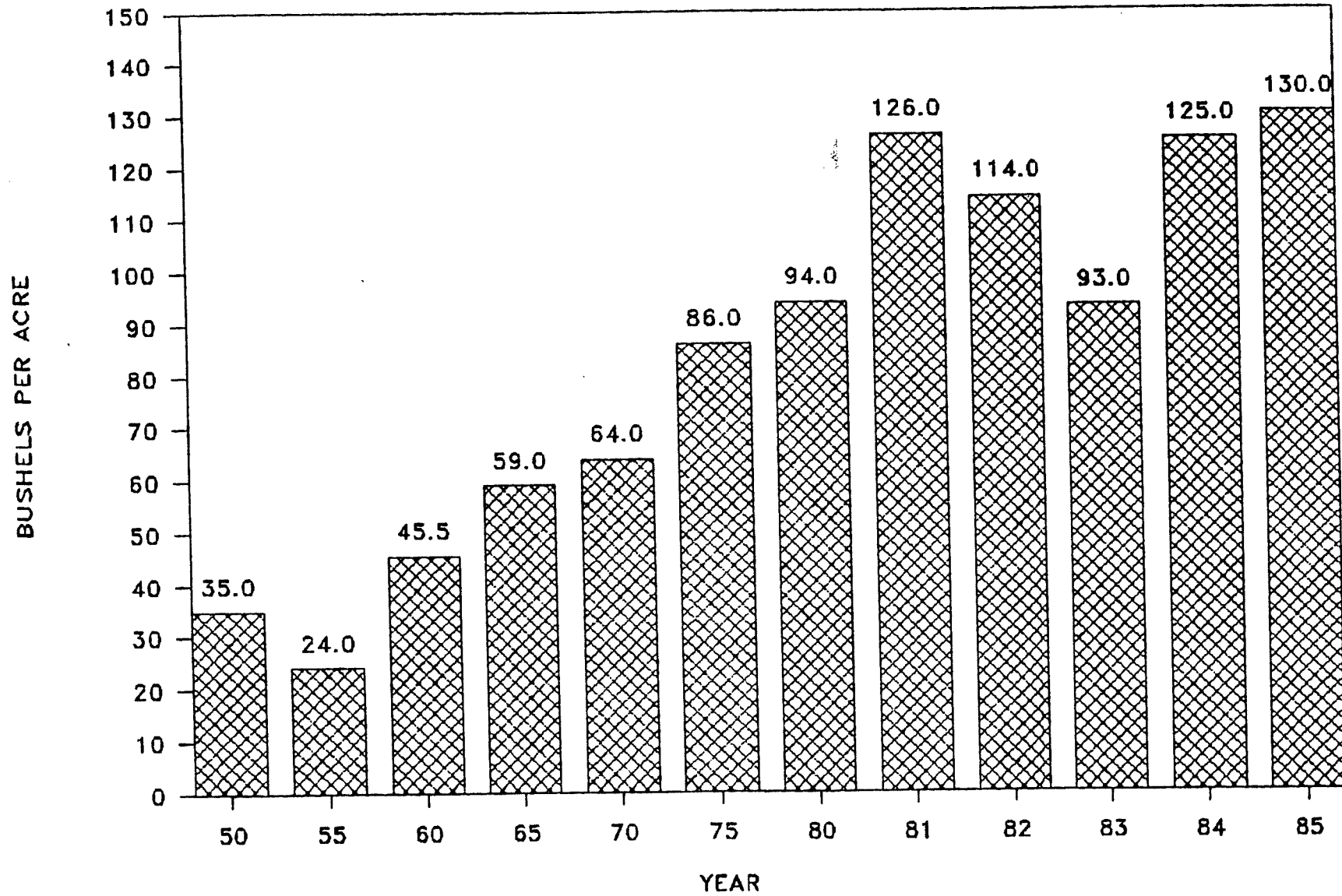
1950 - 1985



*3 fold
increase
in yields*

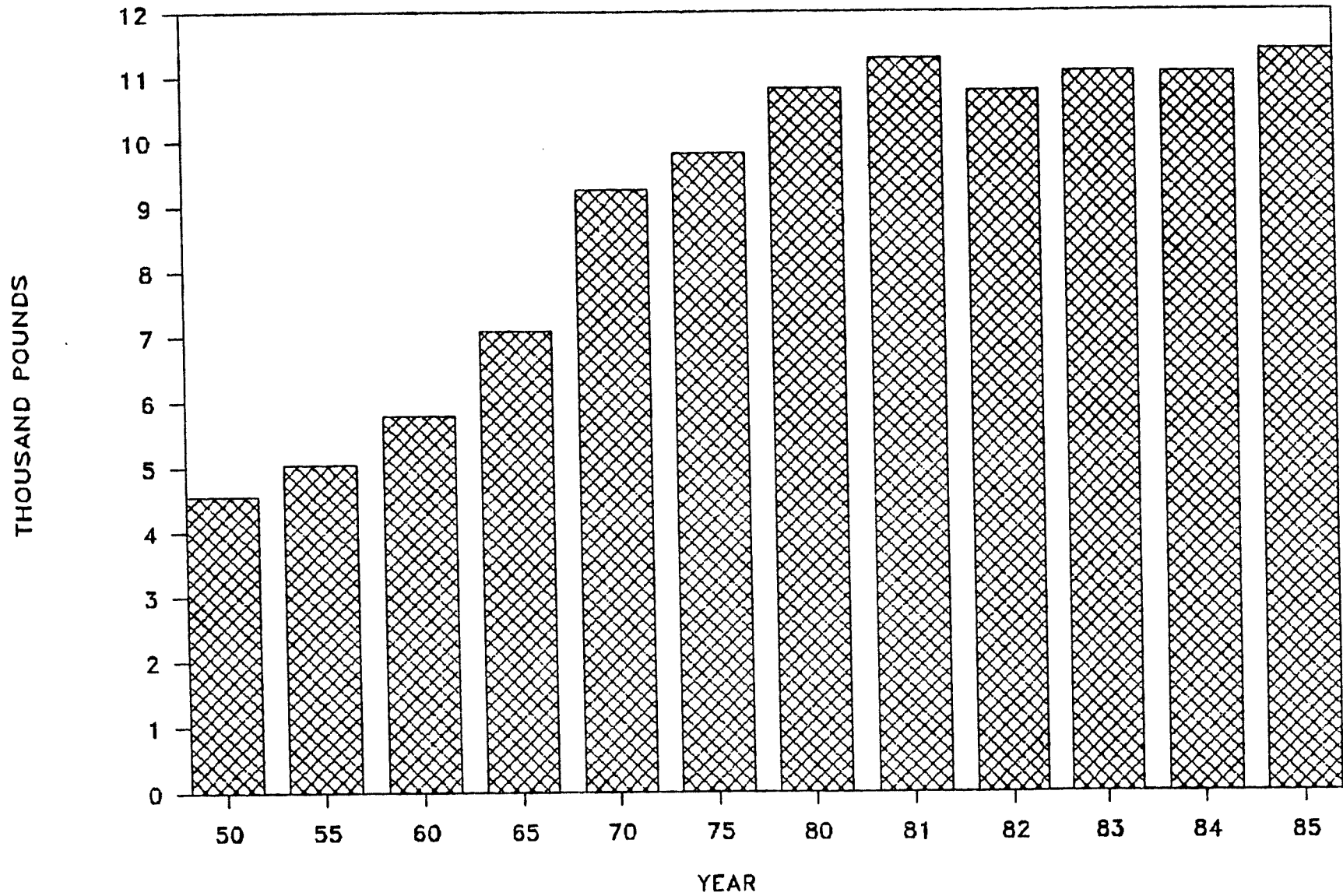
KANSAS CORN YIELDS

1950 - 1985



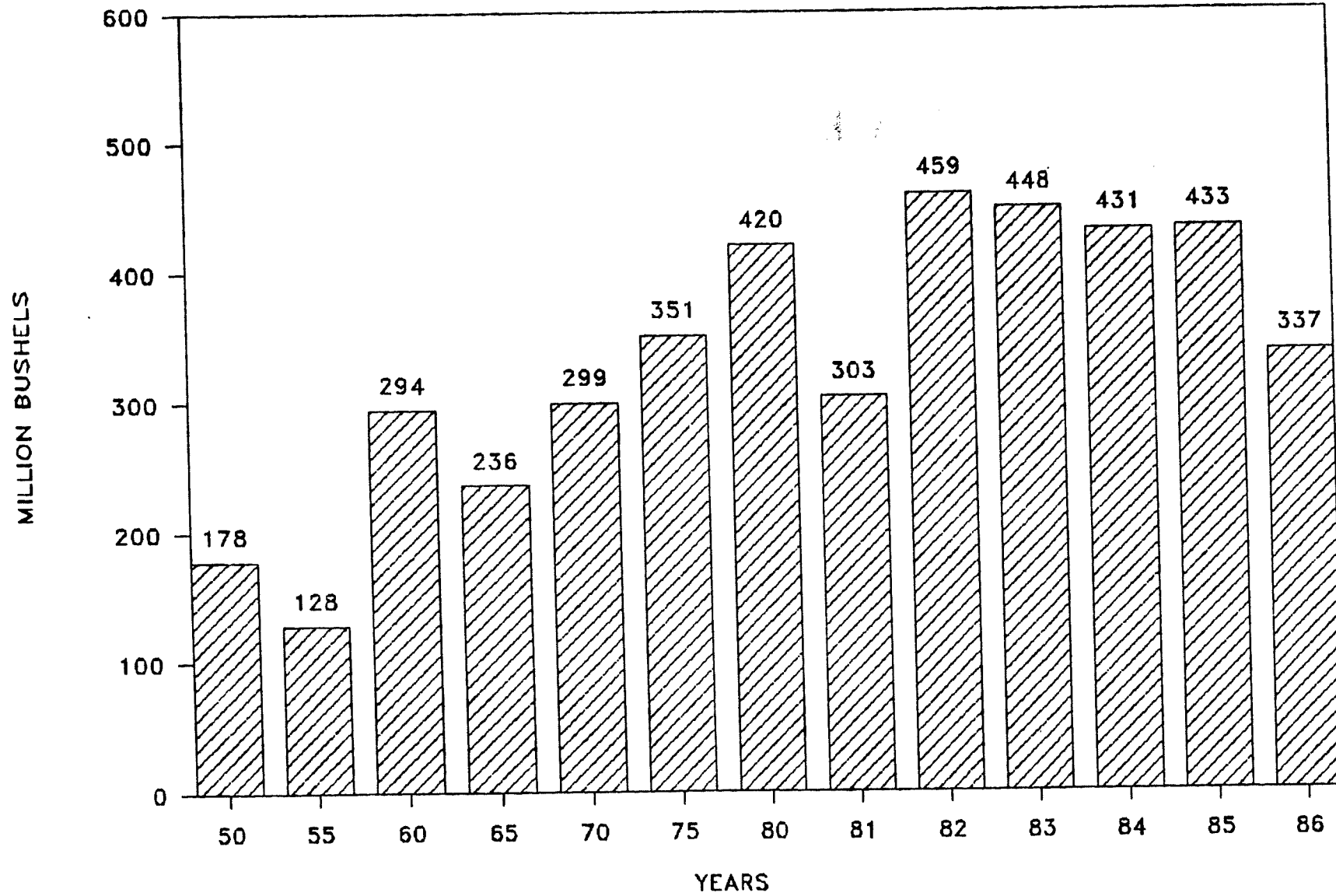
KANSAS MILK PRODUCTION

MILK PRODUCTION PER COW 1950 - 1985



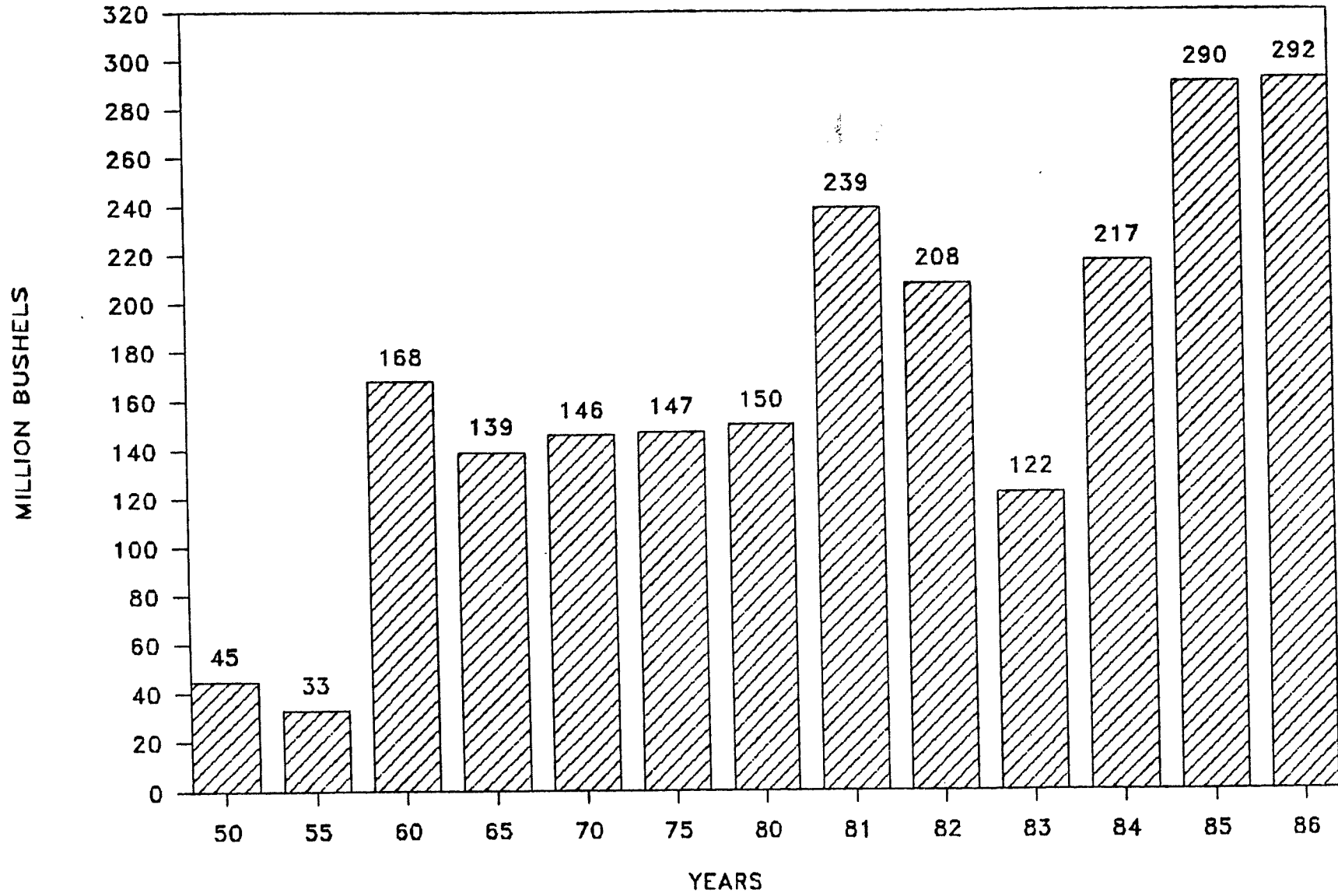
KANSAS WHEAT PRODUCTION

1950 - 1986



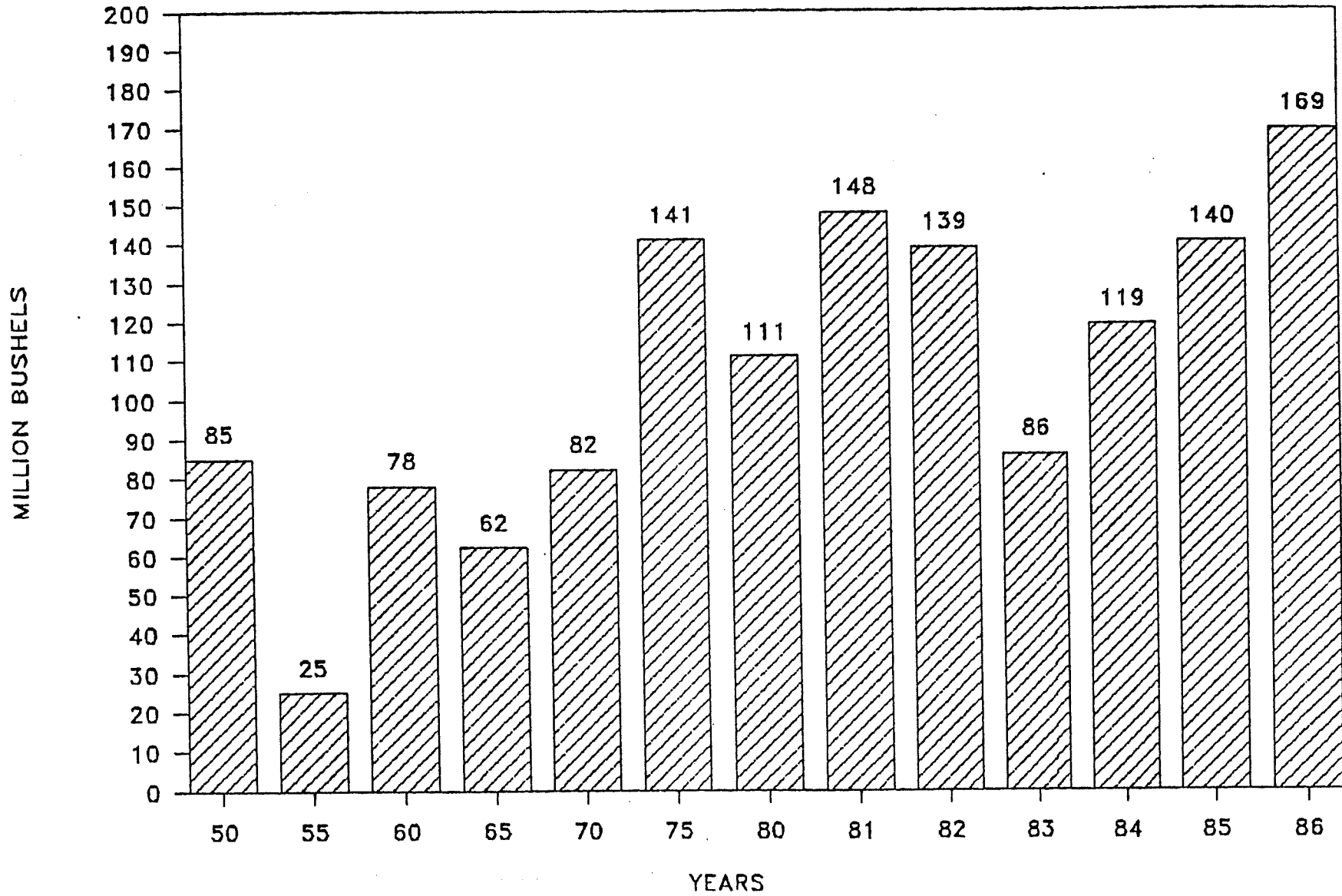
KANSAS SORGHUM PRODUCTION

1950 - 1986



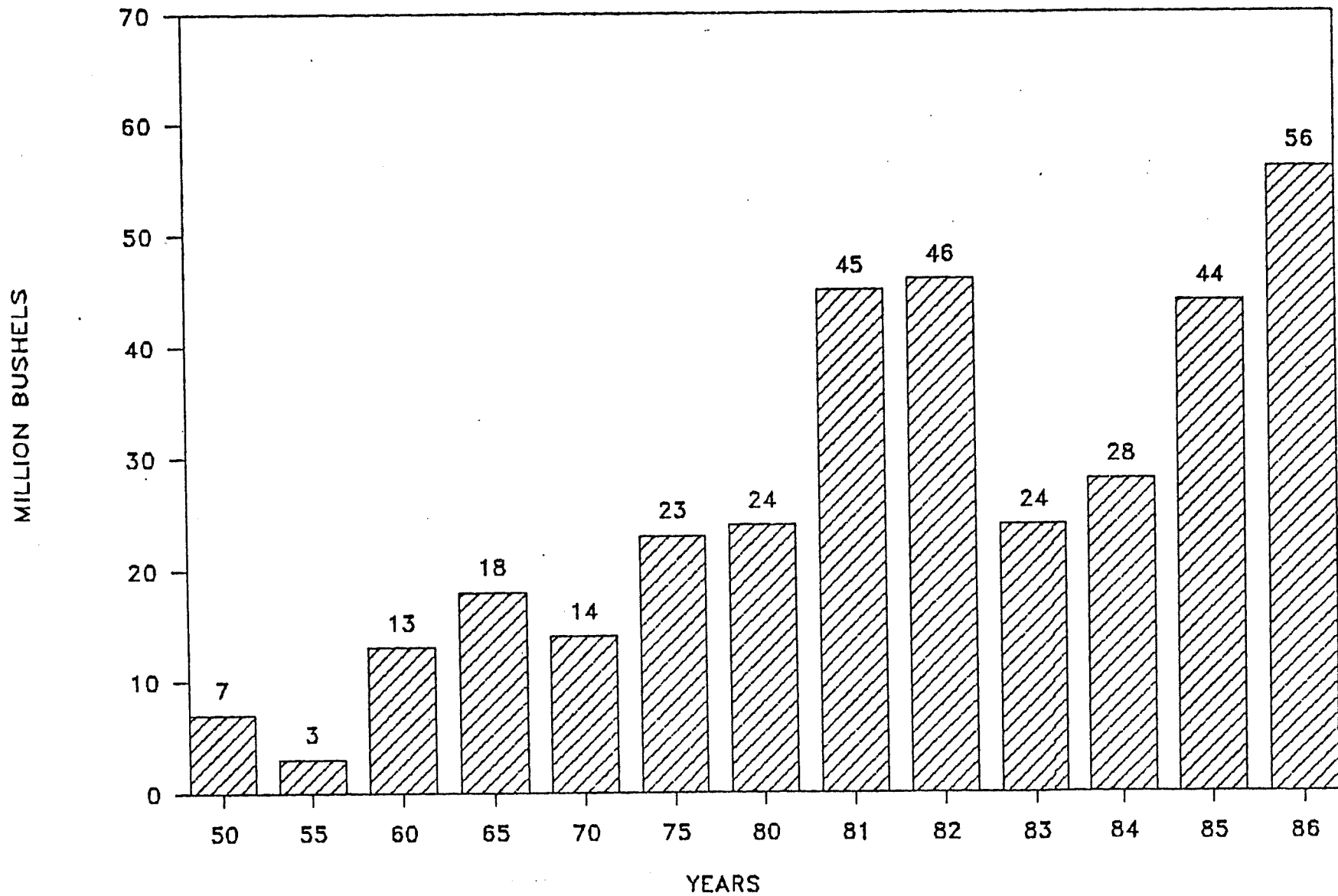
KANSAS CORN PRODUCTION

1950 - 1986



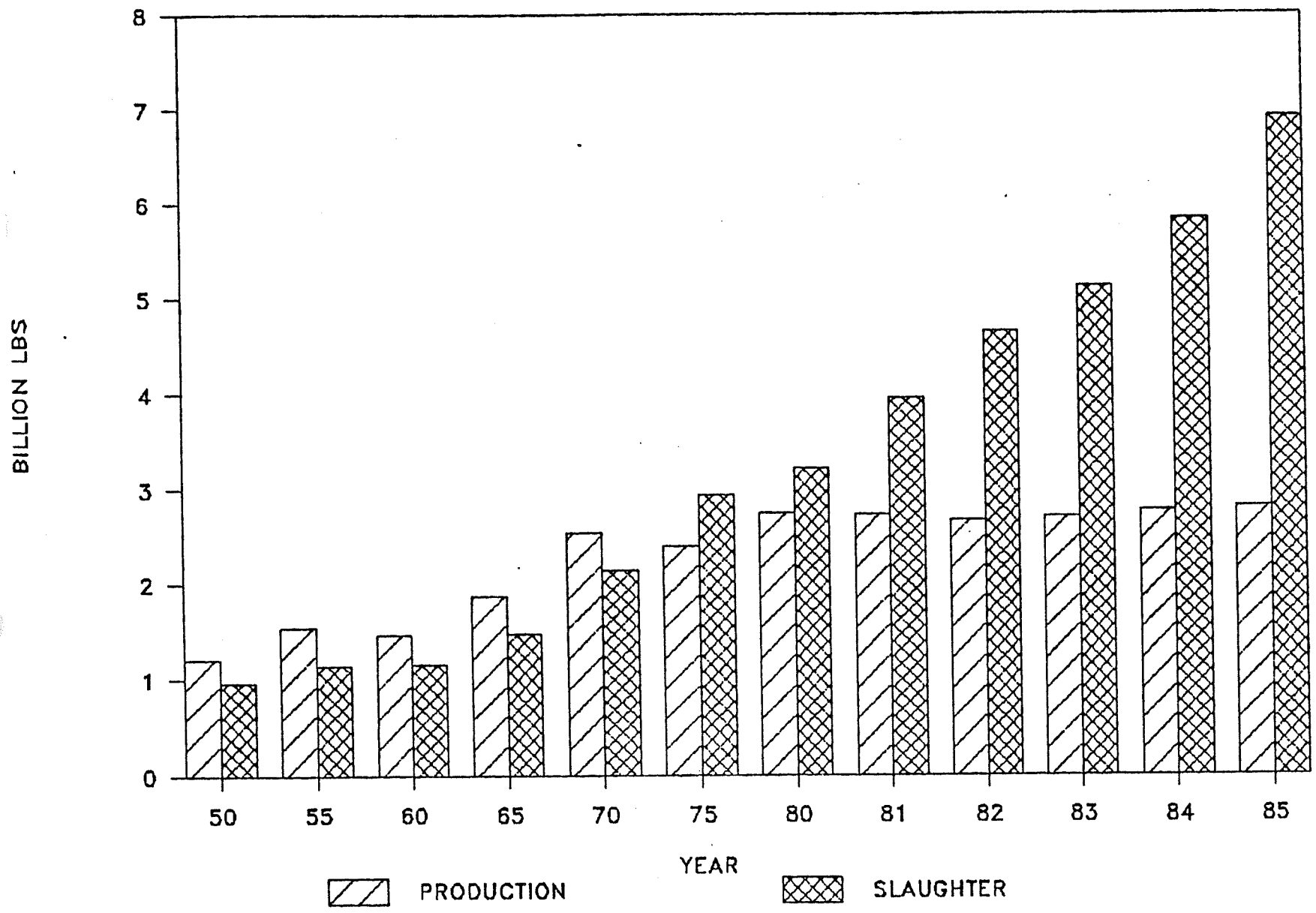
KANSAS SOYBEAN PRODUCTION

1950 - 1986



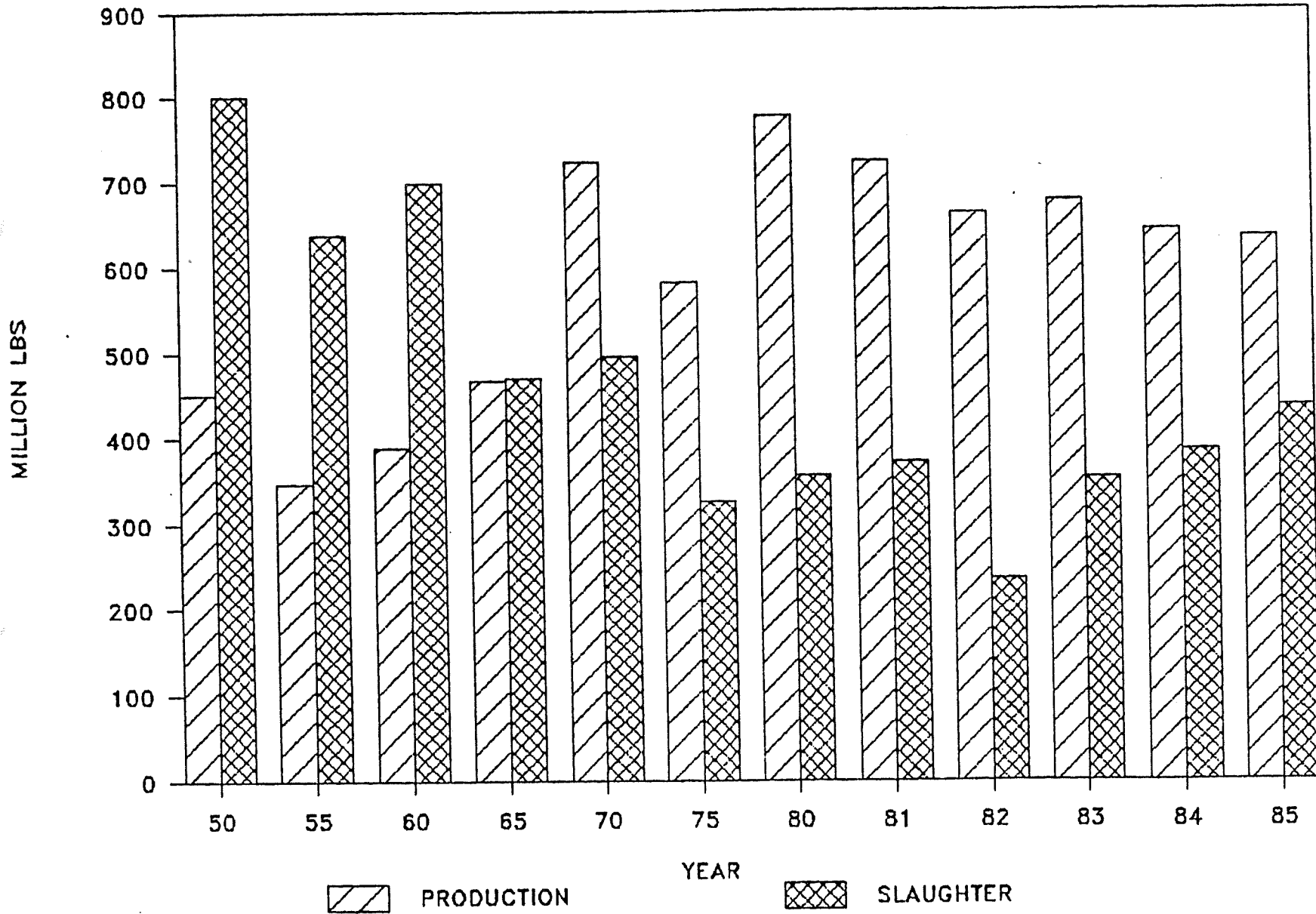
KANSAS CATTLE

PRODUCTION AND SLAUGHTER 1950 - 1985

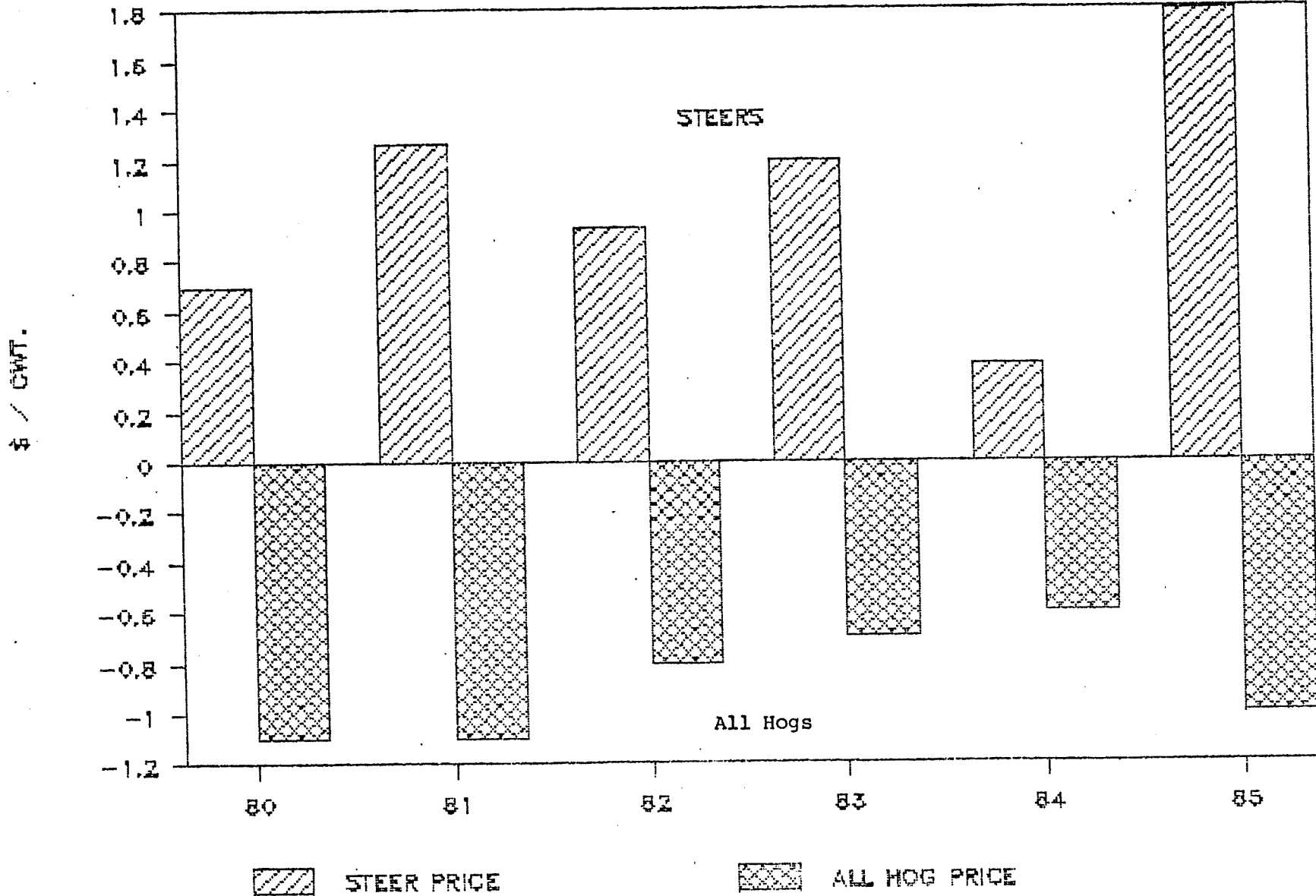


KANSAS HOG

PRODUCTION AND SLAUGHTER 1950 - 1985



STEERS VS. ALL HOG PRICE DEPARTURES



Dodge City Cattle

Omaha Cattle
→ U.S. average hogs

→ KS hog prices

YEARLY AVG PRICE CHOICE STEERS, 900-1300 LBS.

DODGE CITY AND OMAHA, 1981 - 1985

\$ / CWT.

| YEAR | DODGE CITY * | OMAHA | (+ / -) DODGE VS OMAHA |
|------|--------------|---------|---------------------------|
| 1980 | \$67.75 | \$67.06 | \$0.70 |
| 81 | 65.26 | 64.00 | 1.27 |
| 82 | 65.76 | 64.83 | 0.93 |
| 83 | 64.35 | 63.15 | 1.20 |
| 84 | 66.66 | 66.27 | 0.39 |
| 85 | 60.76 | 58.96 | 1.80 |

* WESTERN KANSAS MARKET NEWS SERVICE

YEARLY AVG PRICE ALL HOGS

KANSAS AND U. S. PRICE, 1981 - 1985

\$ / CWT.

| YEAR | KANSAS | U.S. PRICE | (+ / -) KANSAS VS U. S. |
|------|---------|---------------|----------------------------|
| 80 | \$36.90 | \$38.00 | -1.10 |
| 81 | 42.80 | 43.90 | -1.10 |
| 82 | 51.50 | 52.30 | -0.80 |
| 83 | 46.10 | 46.80 | -0.70 |
| 84 | 46.50 | 47.10 | -0.60 |
| 85 | 43.00 | 44.00 | -1.00 |

Attachment 13
02/02/87

MEAT ANIMAL PRODUCTION AND SLAUGHTER

| YEAR | CATTLE | | | | HOGS | | | | SHEEP | | | |
|------|------------|------|--------------|------|------------|------|------------|------|------------|------|------------|------|
| | Production | | Slaughter 1/ | | Production | | Slaughter | | Production | | Slaughter | |
| | 1,000 Lbs. | Rank | 1,000 Head | Rank | 1,000 Lbs. | Rank | 1,000 Head | Rank | 1,000 Lbs. | Rank | 1,000 Head | Rank |
| 1960 | 1,467,655 | 4 | 1,167.0 | 8 | 389,290 | 14 | 2,866.0 | 9 | 39,640 | 18 | 298.8 | 15 |
| 61 | 1,694,185 | 4 | 1,139.0 | 8 | 467,099 | 10 | 2,771.0 | 10 | 45,643 | 14 | 321.8 | 15 |
| 62 | 1,809,270 | 4 | 1,079.5 | 10 | 504,220 | 10 | 2,873.0 | 10 | 42,796 | 13 | 316.4 | 15 |
| 63 | 2,019,460 | 3 | 1,232.0 | 7 | 528,250 | 10 | 2,989.0 | 10 | 43,247 | 13 | 294.4 | 14 |
| 64 | 2,254,555 | 4 | 1,419.0 | 7 | 498,513 | 10 | 2,584.0 | 12 | 38,983 | 12 | 274.0 | 14 |
| 1965 | 1,868,110 | 4 | 1,477.0 | 7 | 466,773 | 10 | 1,971.0 | 13 | 33,458 | 13 | 375.4 | 10 |
| 66 | 2,226,920 | 4 | 1,609.0 | 6 | 504,434 | 10 | 2,070.0 | 13 | 31,664 | 16 | 297.5 | 14 |
| 67 | 2,288,170 | 4 | 1,617.0 | 6 | 577,343 | 10 | 2,423.0 | 13 | 27,228 | 16 | 244.1 | 14 |
| 68 | 2,282,910 | 4 | 1,504.0 | 8 | 603,407 | 10 | 2,232.0 | 13 | 25,976 | 16 | 134.4 | 17 |
| 69 | 2,350,190 | 4 | 1,664.0 | 7 | 659,608 | 9 | 1,869.0 | 15 | 22,442 | 16 | 2.7 | 30 |
| 1970 | 2,536,017 | 4 | 2,014.0 | 5 | 722,426 | 9 | 1,998.0 | 15 | 20,604 | 17 | 2.5 | 29 |
| 71 | 2,659,105 | 3 | 2,341.0 | 5 | 823,682 | 8 | 2,297.0 | 14 | 19,659 | 18 | 4.4 | 25 |
| 72 | 3,009,770 | 2 | 2,495.0 | 5 | 804,598 | 8 | 2,180.0 | 13 | 18,281 | 17 | 4.7 | 25 |
| 73 | 2,795,410 | 3 | 2,499.0 | 5 | 737,888 | 7 | 2,195.0 | 13 | 16,365 | 16 | 4.9 | 25 |
| 74 | 2,739,800 | 4 | 2,617.0 | 5 | 747,150 | 8 | 2,235.0 | 14 | 14,738 | 17 | 6.0 | 24 |
| 1975 | 2,393,795 | 4 | 2,826.0 | 5 | 582,405 | 8 | 1,363.0 | 18 | 12,333 | 18 | 6.4 | 24 |
| 76 | 2,579,350 | 4 | 3,003.0 | 4 | 643,220 | 8 | 1,002.0 | 20 | 11,173 | 19 | 4.3 | 25 |
| 77 | 2,701,240 | 4 | 3,071.1 | 4 | 738,785 | 7 | 1,098.6 | 19 | 11,931 | 17 | 4.1 | 25 |
| 78 | 2,586,490 | 4 | 2,928.9 | 4 | 686,235 | 7 | 1,150.6 | 19 | 13,372 | 16 | 4.0 | 24 |
| 79 | 2,710,550 | 3 | 2,784.1 | 4 | 795,985 | 7 | 1,405.1 | 19 | 13,538 | 15 | 3.7 | 24 |
| 1980 | 2,745,930 | 4 | 2,968.1 | 4 | 776,443 | 8 | 1,459.8 | 20 | 13,744 | 16 | 4.5 | 24 |
| 81 | 2,924,380 | 3 | 3,618.8 | 3 | 722,735 | 8 | 1,515.6 | 19 | 13,262 | 18 | 5.3 | 24 |
| 82 | 2,669,765 | 3 | 4,290.4 | 3 | 662,165 | 9 | 938.4 | 20 | 15,106 | 15 | 5.7 | 24 |
| 83 | 2,709,605 | 3 | 4,709.0 | 3 | 676,075 | 9 | 1,417.2 | 19 | 16,739 | 13 | 6.0 | 25 |
| 84 | 2,771,465 | 3 | 5,355.1 | 2 | 641,884 | 9 | 1,506.2 | 19 | 16,435 | 14 | 5.8 | 25 |
| 1985 | 2,803,765 | 3 | 6,191.9 | 1 | 632,935 | 9 | 1,646.2 | 16 | 16,703 | 14 | 77.6 | 12 |

1/ Excludes calf slaughter.

MILK AND POULTRY PRODUCTION AND SLAUGHTER

| YEAR | MILK PRODUCTION | | POULTRY | | | | | |
|------|-----------------|------|---------------------|------|----------------|------|----------------|------|
| | Million Lbs. | Rank | Chickens Raised | | Egg Production | | Turkeys Raised | |
| | | | 1,000 Head | Rank | Million Eggs | Rank | 1,000 Head | Rank |
| 1960 | 1,922 | 17 | 8,348 | 13 | 1,339 | 18 | 865 | 21 |
| 61 | 1,955 | 17 | 7,513 | 18 | 1,202 | 21 | 1,184 | 21 |
| 62 | 1,872 | 18 | 6,461 | 19 | 1,097 | 22 | 834 | 20 |
| 63 | 1,810 | 19 | 5,621 | 23 | 977 | 24 | 760 | 24 |
| 64 | 1,816 | 19 | 5,115 | 22 | 947 | 27 | 816 | 24 |
| 1965 | 1,749 | 19 | 4,859 | 24 | 967 | 26 | 692 | 27 |
| 66 | 1,738 | 18 | 5,005 | 25 | 958 | 27 | 610 | 26 |
| 67 | 1,724 | 18 | 4,555 | 25 | 962 | 27 | 600 | 27 |
| 68 | 1,717 | 18 | 4,145 | 24 | 883 | 27 | 395 | 26 |
| 69 | 1,687 | 18 | 3,855 | 26 | 836 | 27 | 360 | 27 |
| 1970 | 1,740 | 18 | 3,700 | 26 | 772 | 29 | 326 | 26 |
| 71 | 1,688 | 19 | 3,650 | 26 | 752 | 29 | 307 | 26 |
| 72 | 1,629 | 20 | 3,350 | 27 | 718 | 29 | 285 | 26 |
| 73 | 1,505 | 22 | 3,315 | 26 | 673 | 28 | 210 | 26 |
| 74 | 1,403 | 24 | 3,165 | 27 | 601 | 29 | 165 | 28 |
| 1975 | 1,392 | 23 | 2,816 | 28 | 599 | 29 | 154 | 27 |
| 76 | 1,447 | 23 | 2,869 | 27 | 564 | 28 | 108 | 27 |
| 77 | 1,442 | 23 | 2,350 | 28 | 548 | 29 | 113 | 27 |
| 78 | 1,372 | 23 | 2,300 | 29 | 511 | 32 | 129 | 27 |
| 79 | 1,330 | 24 | 2,100 | 30 | 483 | 31 | 184 | 27 |
| 1980 | 1,330 | 24 | 1,900 | 32 | 427 | 32 | 132 | 27 |
| 81 | 1,397 | 24 | 2,200 | 32 | 416 | 34 | 263 | 26 |
| 82 | 1,356 | 24 | 1,760 | 32 | 462 | 31 | 202 | 27 |
| 83 | 1,382 | 24 | 1,960 | 30 | 481 | 30 | 115 | 28 |
| 84 | 1,225 | 24 | 2,185 | 30 | 466 | 30 | 100 | 27 |
| 1985 | 1,285 | 25 | 1,700 ^{1/} | 29 | 472 | 31 | 275 | 25 |

^{1/} Number sold. Number raised no longer estimated.

MILK PRODUCTION

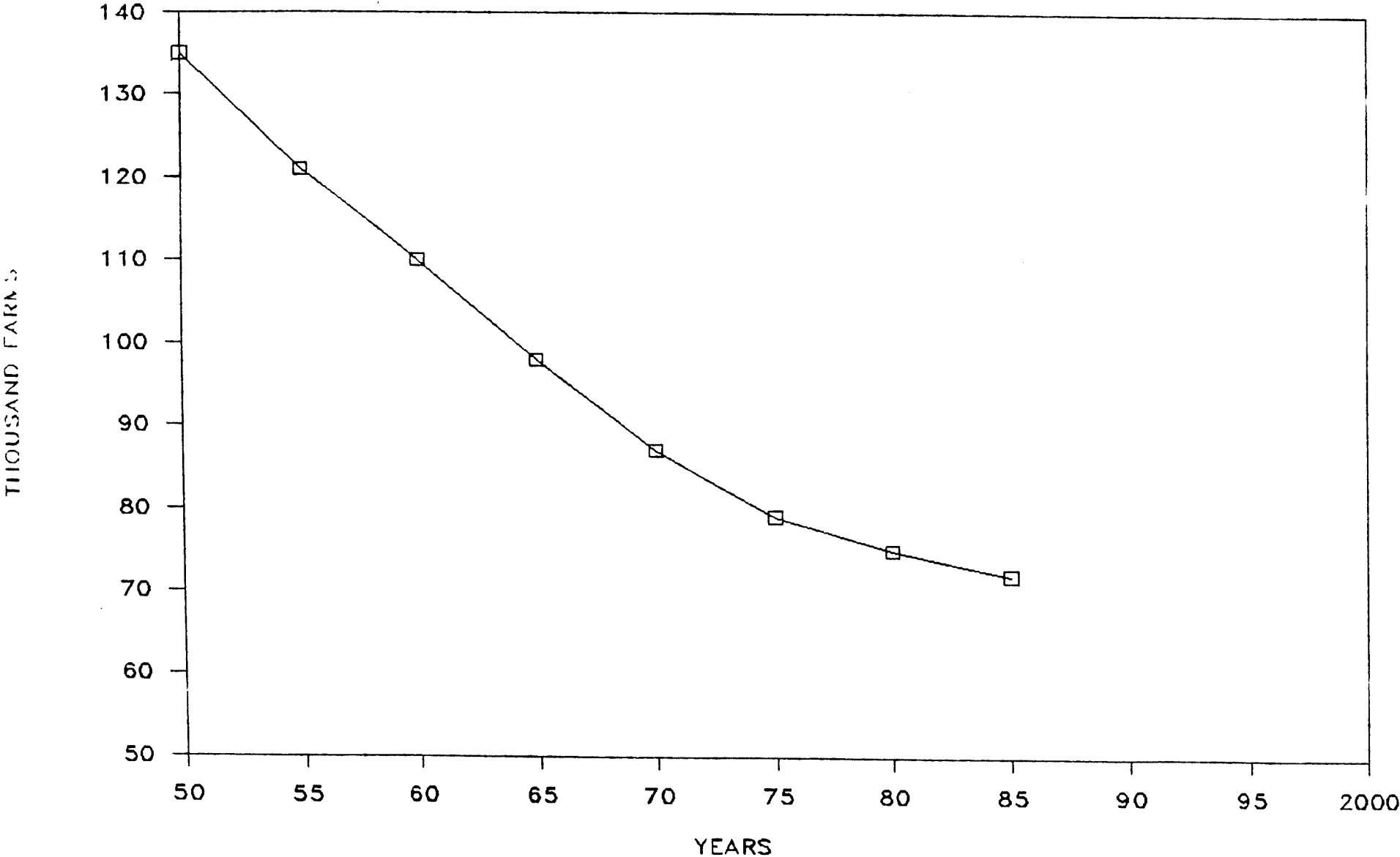
| YEAR | KANSAS | | U. S. | | |
|------|-------------------------|--------------|---------------|-------------------------|--------------|
| | MILK PROC MIL LBS | % OF 1960 | % OF U. S. | MILK PROC MIL LBS | % OF 1960 |
| 1960 | 1,922 | 100% | 1.56% | 123,109 | 100% |
| 61 | 1,955 | 102% | 1.56% | 125,707 | 102% |
| 62 | 1,872 | 97% | 1.48% | 126,251 | 103% |
| 63 | 1,810 | 94% | 1.45% | 125,202 | 102% |
| 64 | 1,816 | 94% | 1.43% | 126,967 | 103% |
| 1965 | 1,749 | 91% | 1.41% | 124,180 | 101% |
| 66 | 1,738 | 90% | 1.45% | 119,912 | 97% |
| 67 | 1,724 | 90% | 1.45% | 118,732 | 96% |
| 68 | 1,717 | 89% | 1.46% | 117,225 | 95% |
| 69 | 1,687 | 88% | 1.45% | 116,108 | 94% |
| 1970 | 1,740 | 91% | 1.49% | 117,007 | 95% |
| 71 | 1,688 | 88% | 1.42% | 118,566 | 96% |
| 72 | 1,629 | 85% | 1.36% | 120,025 | 97% |
| 73 | 1,505 | 78% | 1.30% | 115,491 | 94% |
| 74 | 1,403 | 73% | 1.21% | 115,586 | 94% |
| 75 | 1,392 | 72% | 1.21% | 115,398 | 94% |
| 76 | 1,447 | 75% | 1.20% | 120,180 | 98% |
| 77 | 1,442 | 75% | 1.18% | 122,654 | 100% |
| 78 | 1,372 | 71% | 1.13% | 121,461 | 99% |
| 79 | 1,330 | 69% | 1.08% | 123,350 | 100% |
| 1980 | 1,330 | 69% | 1.04% | 128,406 | 104% |
| 81 | 1,397 | 73% | 1.05% | 132,770 | 108% |
| 82 | 1,356 | 71% | 1.00% | 135,505 | 110% |
| 83 | 1,382 | 72% | 0.99% | 139,672 | 113% |
| 84 | 1,225 | 64% | 0.90% | 135,479 | 110% |
| 85 | 1,285 | 67% | 0.89% | 143,667 | 117% |

1 - 60 is the 1 >

STRUCTURAL TRENDS

The number of farms, both in Kansas and the U.S., have shown a very significant and similar change with a 30 percent increase in the average size of farms. The number of cattle, hog and sheep producers has declined in line with national trends, while Kansas milk cow herds have declined more sharply. Large operators are responsible for a greater share of total production of both crops and livestock. It seems likely that there will be increased specialization with larger units continuing to dominate total production. By the year 2000 Kansas may have only 50,000 farms.

KANSAS NUMBER OF FARMS 1955 - 1985



NUMBER OF CATTLE FARMS

| YEAR | FARM NUMBERS | % CHG PREV YR | KANSAS | | U. S. | FARM NUMBERS | % CHG PREV YR | FARMS |
|------|-----------------|------------------|--------------|---------------|-------|-----------------|------------------|--------------|
| | | | % OF 1965 | % OF U. S. | | | | % OF 1965 |
| 1965 | 75,000 | | 100% | 3.17% | | 2,366,110 | | 100% |
| 66 | 74,000 | 99% | 99% | 3.26% | | 2,271,480 | 96% | 96% |
| 67 | 72,000 | 97% | 96% | 3.32% | | 2,170,530 | 96% | 92% |
| 68 | 68,000 | 94% | 91% | 3.28% | | 2,075,590 | 96% | 88% |
| 69 | 66,000 | 97% | 88% | 3.31% | | 1,993,530 | 96% | 84% |
| 1970 | 64,000 | 97% | 85% | 3.31% | | 1,935,380 | 97% | 82% |
| 71 | 62,000 | 97% | 83% | 3.28% | | 1,887,980 | 98% | 80% |
| 72 | 61,000 | 98% | 81% | 3.29% | | 1,855,330 | 98% | 78% |
| 73 | 60,000 | 98% | 80% | 3.26% | | 1,841,110 | 99% | 78% |
| 74 | 59,000 | 98% | 79% | 3.15% | | 1,870,500 | 102% | 79% |
| 75 | 57,000 | 97% | 76% | 3.05% | | 1,865,970 | 100% | 79% |
| 76 | 54,000 | 95% | 72% | 2.96% | | 1,825,820 | 98% | 77% |
| 77 | 53,000 | 98% | 71% | 2.99% | | 1,771,930 | 97% | 75% |
| 78 | 53,000 | 100% | 71% | 3.12% | | 1,699,040 | 96% | 72% |
| 79 | 52,000 | 98% | 69% | 3.18% | | 1,636,510 | 96% | 69% |
| 1980 | 52,000 | 100% | 69% | 3.21% | | 1,619,750 | 99% | 68% |
| 81 | 52,000 | 100% | 69% | 3.21% | | 1,620,790 | 100% | 69% |
| 82 | 51,000 | 98% | 68% | 3.16% | | 1,612,090 | 99% | 68% |
| 83 | 48,000 | 94% | 64% | 3.10% | | 1,548,500 | 96% | 65% |
| 84 | 48,000 | 100% | 64% | 3.11% | | 1,543,490 | 100% | 65% |
| 85 | 48,000 | 100% | 64% | 3.21% | | 1,496,390 | 97% | 63% |

NUMBER OF MILK COW FARMS

| YEAR | KANSAS | | | | U. S. | | |
|------|--------------|---------------|-----------|------------|--------------|---------------|-----------|
| | FARM NUMBERS | % CHG PREV YR | % OF 1965 | % OF U. S. | FARM NUMBERS | % CHG PREV YR | % OF 1965 |
| 1965 | 24,500 | | 100% | 2.21% | 1,107,710 | | 100% |
| 66 | 21,500 | 88% | 88% | 2.13% | 1,008,750 | 91% | 91% |
| 67 | 19,500 | 91% | 80% | 2.17% | 898,250 | 89% | 81% |
| 68 | 17,000 | 87% | 69% | 2.12% | 801,550 | 89% | 72% |
| 69 | 15,500 | 91% | 63% | 2.15% | 722,150 | 90% | 65% |
| 1970 | 13,500 | 87% | 55% | 2.08% | 647,860 | 90% | 58% |
| 71 | 12,000 | 89% | 49% | 2.03% | 591,870 | 91% | 53% |
| 72 | 10,500 | 88% | 43% | 1.95% | 539,350 | 91% | 49% |
| 73 | 9,500 | 90% | 39% | 1.91% | 497,040 | 92% | 45% |
| 74 | 8,500 | 89% | 35% | 1.81% | 470,240 | 95% | 42% |
| 75 | 8,000 | 94% | 33% | 1.84% | 433,610 | 92% | 39% |
| 76 | 7,200 | 90% | 29% | 1.73% | 416,160 | 96% | 38% |
| 77 | 6,500 | 90% | 27% | 1.65% | 393,510 | 95% | 36% |
| 78 | 6,000 | 92% | 24% | 1.63% | 369,210 | 94% | 33% |
| 79 | 6,000 | 100% | 24% | 1.71% | 349,970 | 95% | 32% |
| 1980 | 5,900 | 98% | 24% | 1.76% | 335,770 | 96% | 30% |
| 81 | 5,400 | 92% | 22% | 1.67% | 322,850 | 96% | 29% |
| 82 | 5,200 | 96% | 21% | 1.67% | 312,100 | 97% | 28% |
| 83 | 4,700 | 90% | 19% | 1.57% | 299,140 | 96% | 27% |
| 84 | 4,000 | 85% | 16% | 1.40% | 284,740 | 95% | 26% |
| 85 | 3,700 | 93% | 15% | 1.35% | 273,620 | 96% | 25% |

down 85%

PERCENT OF KANSAS CATTLE FEEDLOT OPERATIONS BY SIZE GROUPS

| FEEDLOT CAPACITY (HEAD) | 1980 | | 1985 | |
|-------------------------------|------------------------|----------------------------------|------------------------|----------------------------------|
| | % OF TOTAL FEEDLOTS | % OF TOTAL CATTLE MARKETED | % OF TOTAL FEEDLOTS | % OF TOTAL CATTLE MARKETED |
| Under 1,000 | 92.9 | 6.7 | 90.9 | 2.7 |
| 1,000 - 1,999 | 2.9 | 6.0 | 2.0 | 1.7 |
| 2,000 - 3,999 | 1.2 | 5.0 | 1.7 | 4.7 |
| 4,000 - 7,999 | .9 | 9.0 | 1.5 | 9.9 |
| 8,000 - 15,999 | 1.2 | 25.6 | 2.2 | 25.4 |
| 16,000 - 31,999 | .7 | 28.1 | 1.3 | 27.6 |
| 32,000 & over | .2 | 19.6 | .4 | 28.0 |

3.9% of feedlots account
for 81% of fed cattle market

NUMBER OF SHEEP FARMS

| YEAR | KANSAS | | | | U. S. | | |
|------|--------------|---------------|-----------|------------|--------------|---------------|-----------|
| | FARM NUMBERS | % CHG PREV YR | % OF 1965 | % OF U. S. | FARM NUMBERS | % CHG PREV YR | % OF 1965 |
| 1965 | 5,200 | | 100% | 2.15% | 241,590 | | 100% |
| 66 | 5,000 | 96% | 96% | 2.18% | 229,020 | 95% | 95% |
| 67 | 4,800 | 96% | 92% | 2.19% | 219,500 | 96% | 91% |
| 68 | 4,400 | 92% | 85% | 2.11% | 208,180 | 95% | 86% |
| 69 | 4,000 | 91% | 77% | 2.06% | 194,590 | 93% | 81% |
| 1970 | 3,700 | 93% | 71% | 2.06% | 179,590 | 92% | 74% |
| 71 | 3,500 | 95% | 67% | 2.05% | 170,730 | 95% | 71% |
| 72 | 3,300 | 94% | 63% | 2.06% | 160,480 | 94% | 66% |
| 73 | 3,100 | 94% | 60% | 2.06% | 150,830 | 94% | 62% |
| 74 | 2,700 | 87% | 52% | 1.92% | 140,630 | 93% | 58% |
| 75 | 2,500 | 93% | 48% | 1.93% | 129,550 | 92% | 54% |
| 76 | 2,400 | 96% | 46% | 1.96% | 122,460 | 95% | 51% |
| 77 | 2,300 | 96% | 44% | 1.96% | 117,500 | 96% | 49% |
| 78 | 2,300 | 100% | 44% | 1.99% | 115,650 | 98% | 48% |
| 79 | 2,200 | 96% | 42% | 1.89% | 116,170 | 100% | 48% |
| 1980 | 2,500 | 114% | 48% | 2.08% | 120,110 | 103% | 50% |
| 81 | 2,700 | 108% | 52% | 2.14% | 125,900 | 105% | 52% |
| 82 | 2,900 | 107% | 56% | 2.26% | 128,170 | 102% | 53% |
| 83 | 2,900 | 100% | 56% | 2.29% | 126,390 | 99% | 52% |
| 84 | 2,800 | 97% | 54% | 2.27% | 123,500 | 98% | 51% |
| 85 | 2,600 | 93% | 50% | 2.22% | 117,220 | 95% | 49% |

NUMBER OF HOG AND PIG FARMS

| YEAR | KANSAS | | | | | U. S. | | |
|------|-----------------|------------------|--------------|---------------|--|-----------------|------------------|--------------|
| | FARM NUMBERS | % CHG PREV YR | % OF 1965 | % OF U. S. | | FARM NUMBERS | % CHG PREV YR | % OF 1965 |
| 1965 | 22,000 | | 100% | 2.08% | | 1,057,570 | | 100% |
| 66 | 21,000 | 95% | 95% | 1.99% | | 1,055,950 | 100% | 100% |
| 67 | 21,000 | 100% | 95% | 2.02% | | 1,042,140 | 99% | 99% |
| 68 | 20,300 | 97% | 92% | 2.10% | | 967,580 | 93% | 91% |
| 69 | 20,000 | 99% | 91% | 2.29% | | 873,840 | 90% | 83% |
| 1970 | 21,000 | 105% | 95% | 2.41% | | 871,200 | 100% | 82% |
| 71 | 22,000 | 105% | 100% | 2.53% | | 869,600 | 100% | 82% |
| 72 | 20,000 | 91% | 91% | 2.57% | | 778,200 | 89% | 74% |
| 73 | 19,000 | 95% | 86% | 2.58% | | 735,700 | 95% | 70% |
| 74 | 17,000 | 89% | 77% | 2.32% | | 733,100 | 100% | 69% |
| 75 | 14,500 | 85% | 66% | 2.19% | | 661,700 | 90% | 63% |
| 76 | 13,500 | 93% | 61% | 2.05% | | 658,300 | 99% | 62% |
| 77 | 15,000 | 111% | 68% | 2.32% | | 647,000 | 98% | 61% |
| 78 | 14,500 | 97% | 66% | 2.28% | | 635,300 | 98% | 60% |
| 79 | 15,000 | 103% | 68% | 2.29% | | 653,600 | 103% | 62% |
| 1980 | 14,000 | 93% | 64% | 2.09% | | 670,350 | 103% | 63% |
| 81 | 13,000 | 93% | 59% | 2.24% | | 580,060 | 87% | 55% |
| 82 | 11,200 | 86% | 51% | 2.32% | | 482,190 | 83% | 46% |
| 83 | 9,400 | 84% | 43% | 2.03% | | 462,110 | 96% | 44% |
| 84 | 8,800 | 94% | 40% | 2.05% | | 429,580 | 93% | 41% |
| 85 | 8,300 | 94% | 38% | 2.10% | | 395,510 | 92% | 37% |

PERCENT OF KANSAS WHEAT FARMS BY SIZE GROUPS

| WHEAT ACRES | 1980 | | 1985 | |
|---------------------|-----------------|-----------------|-----------------|-------------------------------|
| | PCT OF FARMS | PCT OF ACRES | PCT OF FARMS | % OF TOTAL PCT OF ACRES |
| 1 -199 | 57.0 | 17.9 | 55.5 | 16.5 |
| 200 - 999 | 39.9 | 64.6 | 40.6 | 62.0 |
| 1,000 PLUS | 3.1 | 17.5 | 3.8 | 21.5 |
| TOTAL FARMS & ACRES | 49,661 | 13,000,000 | 42,489 | 12,400,000 |

concentration

PERCENT OF KANSAS SORGHUM FARMS BY SIZE GROUPS

| SORGHUM ACRES | 1980 | | 1985 | |
|------------------|-----------------|-----------------|-----------------|-------------------------------|
| | PCT OF FARMS | PCT OF ACRES | PCT OF FARMS | % OF TOTAL PCT OF ACRES |
| 1 -99 | 60.2 | 21.5 | 53.3 | 15.8 |
| 100 - 249 | 27.7 | 34.6 | 29.1 | 30.0 |
| 250 - 599 | 10.1 | 29.1 | 14.2 | 34.1 |
| 600 PLUS | 2.0 | 14.8 | 3.4 | 20.1 |

→ 17 1/2 % to produce 54 %

PERCENT OF KANSAS CORN FARMS BY SIZE GROUPS

| CORN ACRES | 1980 | | 1985 | |
|---------------|-----------------|-----------------|-----------------|-------------------------------|
| | PCT OF FARMS | PCT OF ACRES | PCT OF FARMS | % OF TOTAL PCT OF ACRES |
| 1 -99 | 61.2 | 16.7 | 57.6 | 13.5 |
| 100 - 249 | 23.1 | 25.0 | 23.4 | 22.3 |
| 250 - 599 | 12.2 | 31.8 | 14.3 | 32.9 |
| 600 PLUS | 3.5 | 26.5 | 4.7 | 31.3 |

EXPORT TRENDS

With only one percent of the U.S. population Kansas must export to other states, and in fact to other nations. Exports have increased along with the increase in productivity and in recent years have been responsible for nearly a third of Kansas' cash receipts. Although export markets are declining they are not likely to evaporate. They will, however, continue to cause large price variations. It is likely that we will see increased use of forward contracting and hedging to manage risk. Continued vertical integration is also a fact of life.

Kansas Crop and Livestock Reporting Service

FARM FACTS FOR WHEAT GROWERS

by M. E. Johnson
State Statistician

HOW MUCH WHEAT?

In five of the past six years the Kansas wheat crop has exceeded 400 million bushels. It is difficult for most of us to visualize what that figure means. Compare the Kansas crop with a U.S. crop of some 2.5 billion bushels or with a world crop exceeding 500 million metric tons. As we switch from bushels to metric tons used in world trade it becomes even more difficult to understand the numbers. In the table below we have shown the Kansas, U.S. and world figures both in terms of bushels and million metric tons, and we have gone a step further to show what this might mean in terms of loaves of bread.

For example, if we can get 73 loaves of

bread from a bushel of wheat and if all 400 million bushels of the Kansas crop were ground into flour and baked into bread, that would amount to 29.2 billion loaves of bread. Dividing that by the 2.4 million population of Kansas yields an average of 12,167 loaves of bread per Kansan. That helps to explain why we have a marketing job with our wheat crop. In fact, if we were to take the bread from the Kansas wheat crop and divide it by the U.S. population of some 238 million people we wind up with 123 loaves per person or about one loaf every three days. That helps to explain why we are concerned about exports.

One more time. If we take the 29.2 billion loaves of bread from the Kansas wheat crop and divide it by the world population of

some 4.826 billion people we get between six and seven loaves per person in the world. Of course, that is not enough and the world does depend on more than just the Kansas wheat crop.

If the U.S. wheat crop is all milled for bread it would provide 187.5 billion loaves of bread or about 788 loaves per person in the U.S. That would be a little over two loaves per day. Probably more than we would want so we export wheat. Bread from the U.S. wheat crop, if divided by the world population, would yield some 38 loaves per person or just over three per month, but again there is more than the U.S. wheat crop to consider.

The world wheat crop, if all ground and baked into bread, would yield 1,341.0 billion loaves of bread, and this would provide an average 277 loaves of bread per person around the globe or just about three-fourths of a loaf per day. Now that may be a little more bread than most eat in a day's time, but may not be too far out of line considering all cereals, and we know that we have greatly oversimplified the calculations because we haven't allowed for seed, or feed, or shrinkage, and we have assumed that all wheat is made into bread when, of course, we know that wheat also goes into pasta, cakes, cookies, etc.

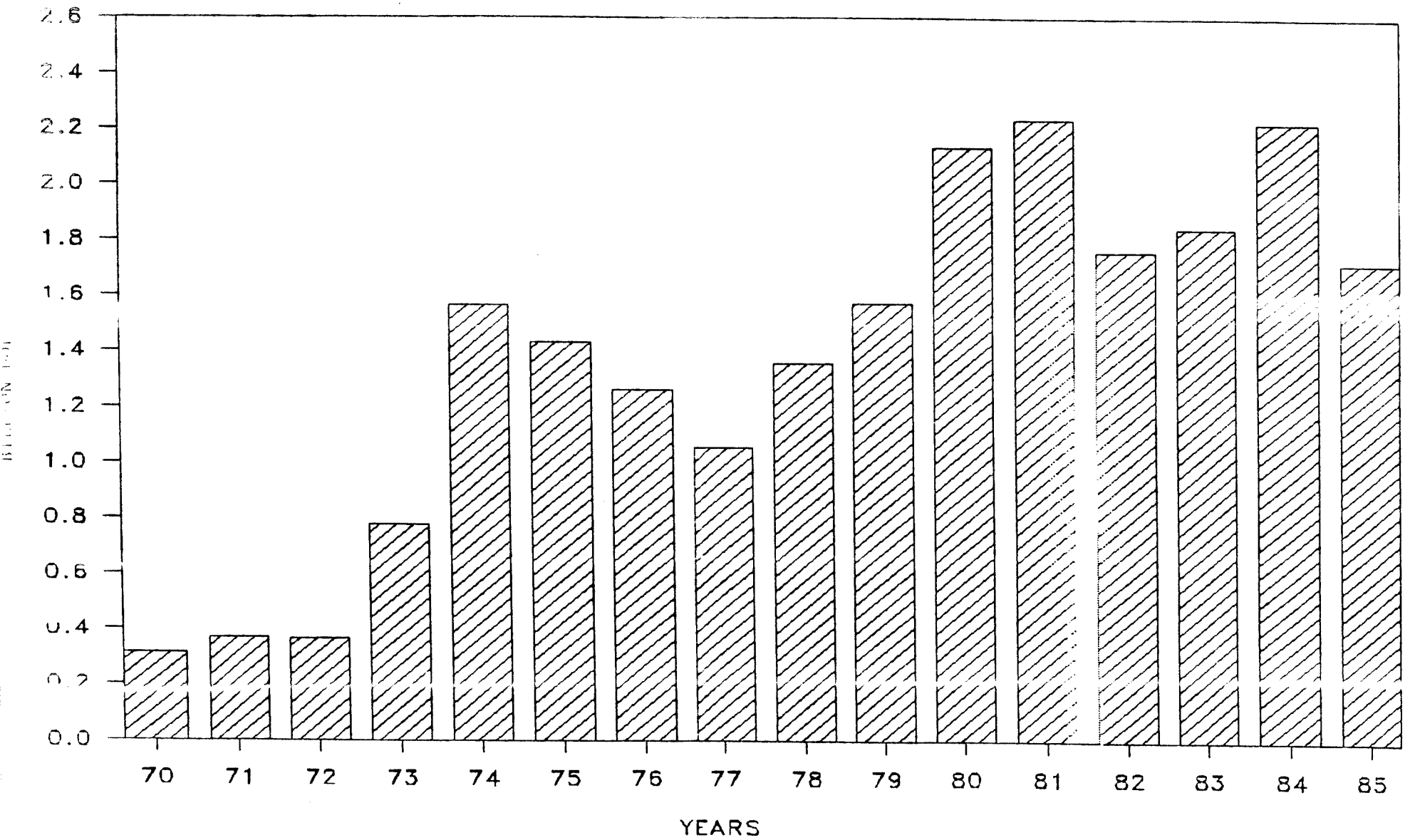
Another way of looking at these wheat crops, however, is to load the entire crop into hopper cars holding about 200,000 pounds or 3,333 bushels each. If those cars are 60 feet long the Kansas crop would require a train stretching some 1,300 to 1,400 miles—more than three times the length of Kansas. The U.S. crop would fill a train stretching about 8,800 miles or about three times the distance from New York to Los Angeles while the world crop would require a train in excess of 62,500 miles or roughly three times around the globe.

WHEAT PRODUCTION, RECENT ANNUAL TOTAL,
KANSAS, UNITED STATES & WORLD

| | Production | | Bread Equivalent |
|---------------|------------------------|--------------------|-----------------------------|
| | Million Metric Tons | Million Bushels | Billion One-Pound Loaves |
| Kansas | 10.9 | 400 | 29.2 |
| United States | 70.0 | 2,570 | 187.5 |
| World | 500.0 | 18,370 | 1,341.0 |

Non-Profit Organization

International
KANSAS EXPORTS 1970 - 1985



WORLD WHEAT AND WHEAT FLOUR: TRADE YEARS BEGINNING JULY 1

| | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 PROJECTED | % CHG. |
|--------------------------|---------|---------|---------|---------|----------------------|-----------|
| MILLION METRIC TONS | | | | | | |
| PRODUCTION: | | | | | | |
| CANADA | 26.7 | 26.5 | 21.2 | 24.3 | 31.0 | + 28 |
| AUSTRALIA | 8.9 | 22.0 | 18.7 | 16.0 | 15.0 | - 6 |
| ARGENTINA | 15.0 | 12.8 | 13.2 | 8.5 | 9.6 | + 13 |
| EC-12 | 64.7 | 63.8 | 82.9 | 71.8 | 70.7 | - 2 |
| USSR | 86.0 | 79.0 | 73.0 | 83.0 | 77.0 | - 7 |
| E. EUROPE | 34.7 | 35.4 | 42.0 | 37.8 | 39.9 | + 6 |
| CHINA | 68.4 | 81.4 | 87.8 | 85.8 | 88.0 | + 3 |
| INDIA | 37.5 | 42.8 | 45.5 | 44.2 | 47.0 | + 6 |
| OTHERS | 62.1 | 61.4 | 60.8 | 66.5 | 72.2 | + 9 |
| TOTAL NON-U.S. <u>1/</u> | 403.9 | 425.1 | 445.0 | 437.9 | 450.4 | + 3 |
| UNITED STATES | 75.3 | 65.9 | 70.6 | 66.0 | 56.5 | - 14 |
| WORLD TOTAL <u>1/</u> | 479.2 | 491.0 | 515.6 | 503.9 | 506.9 | + 1 |
| EXPORTS: | | | | | | |
| TOTAL NON-U.S. | 58.8 | 63.1 | 68.8 | 60.5 | 59.6 | - 1 |
| UNITED STATES | 39.9 | 38.9 | 38.1 | 25.0 | 29.5 | + 18 |
| WORLD TOTAL <u>1/</u> | 98.7 | 102.0 | 106.9 | 85.5 | 89.1 | + 4 |

1/ MAY NOT ADD DUE TO ROUNDING.

11/86

*We trying to cut back production
& everyone else trying to increase*

WORLD WHEAT AND WHEAT FLOUR: TRADE YEARS BEGINNING JULY 1 (CONT.)

| | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 PROJECTED | % CHG. |
|-----------------------|---------|---------|---------|---------|----------------------|-----------|
| MILLION METRIC TONS | | | | | | |
| IMPORTS: | | | | | | |
| EC-12 | 4.6 | 4.5 | 3.4 | 2.6 | 2.6 | NC |
| USSR | 20.2 | 20.5 | 28.1 | 15.7 | 16.0 | + 2 |
| JAPAN | 5.8 | 5.9 | 5.6 | 5.4 | 5.5 | + 2 |
| E. EUROPE | 4.5 | 3.8 | 2.6 | 3.4 | 3.5 | + 3 |
| CHINA | 13.0 | 9.6 | 7.4 | 6.6 | 7.0 | + 6 |
| OTHERS | 50.6 | 58.2 | 59.8 | 51.9 | 54.5 | + 5 |
| WORLD TOTAL <u>1/</u> | 98.7 | 102.0 | 106.9 | 85.5 | 89.1 | + 4 |
| CONSUMPTION: | | | | | | |
| UNITED STATES | 24.7 | 30.2 | 31.4 | 28.4 | 30.8 | + 8 |
| USSR | 105.7 | 97.0 | 96.1 | 97.7 | 95.0 | - 3 |
| CHINA | 81.4 | 91.0 | 95.2 | 92.4 | 95.0 | + 3 |
| OTHERS | 256.1 | 268.0 | 277.7 | 275.8 | 287.4 | + 4 |
| WORLD TOTAL <u>1/</u> | 467.9 | 486.3 | 500.4 | 494.4 | 508.1 | + 3 |
| ENDING STOCKS: | | | | | | |
| TOTAL FOREIGN | 55.0 | 63.2 | 77.5 | 73.9 | 75.9 | + 3 |
| UNITED STATES | 41.2 | 38.1 | 38.8 | 51.8 | 48.6 | - 6 |
| WORLD TOTAL <u>1/</u> | 96.3 | 101.0 | 116.2 | 125.7 | 124.5 | - 1 |

1/ MAY NOT ADD DUE TO ROUNDING.

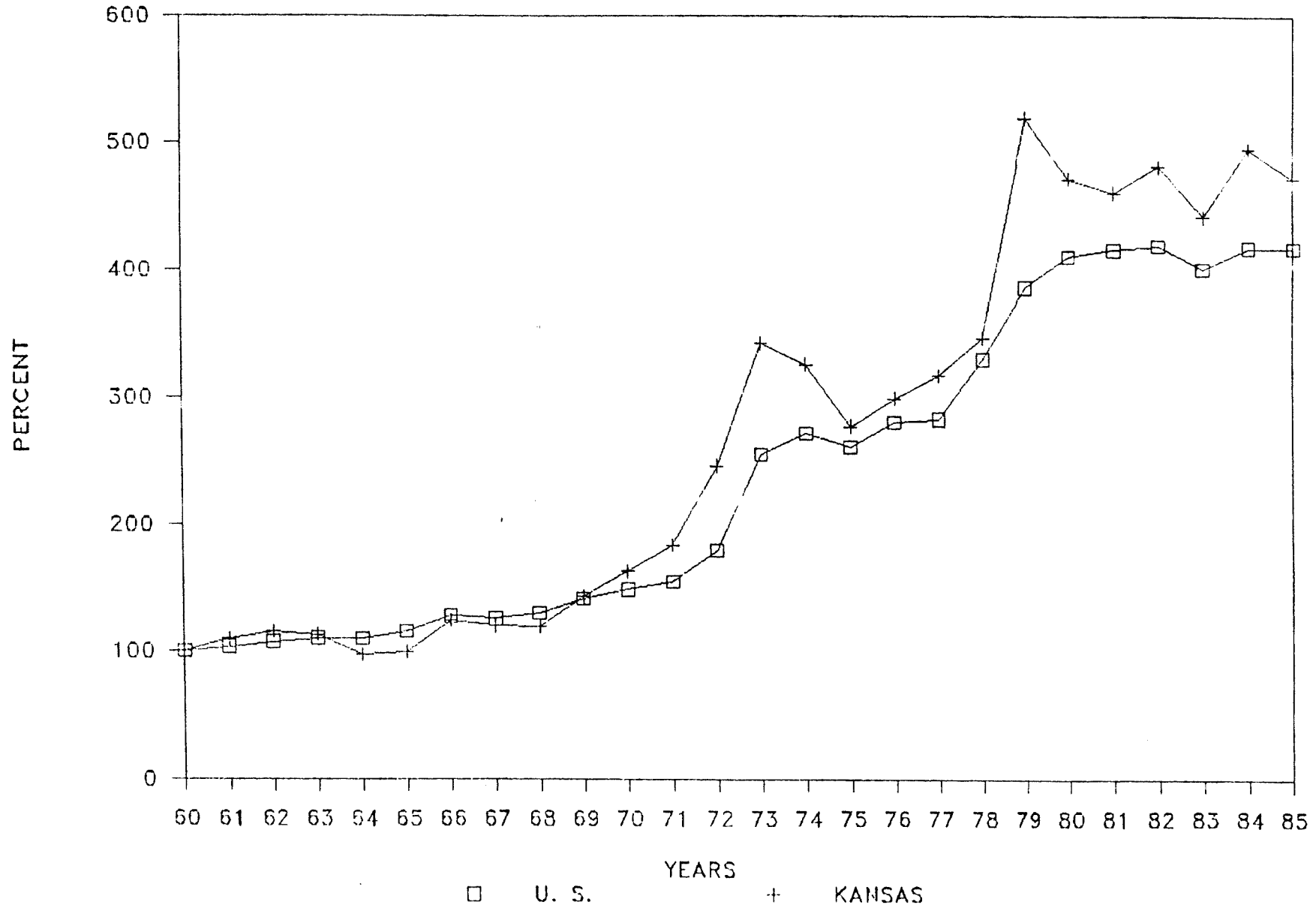
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FINANCIAL TRENDS

The growth of cash receipts from agricultural products in Kansas has paralleled the overall U.S. growth. Kansas' increase in receipts from crops has been less than the national increase, but receipts from livestock have been greater. Cattle and wheat continue to be the leading Kansas farm products. Receipts from hogs and dairy production have declined sharply with the receipts from poultry and eggs barely measurable. Declining prices received by farmers have resulted in a sharp reduction in agriculture's financial strength with increased debt to asset ratios. Financial data show a wide range in the wellbeing of Kansas farmers depending upon location in the state, size of farm, type of farm, and volume of sales. Extensive capital will be needed to finance the large, modern units that will dominate the agriculture of the future, and the source of funding is likely to be more diversified than in the past.

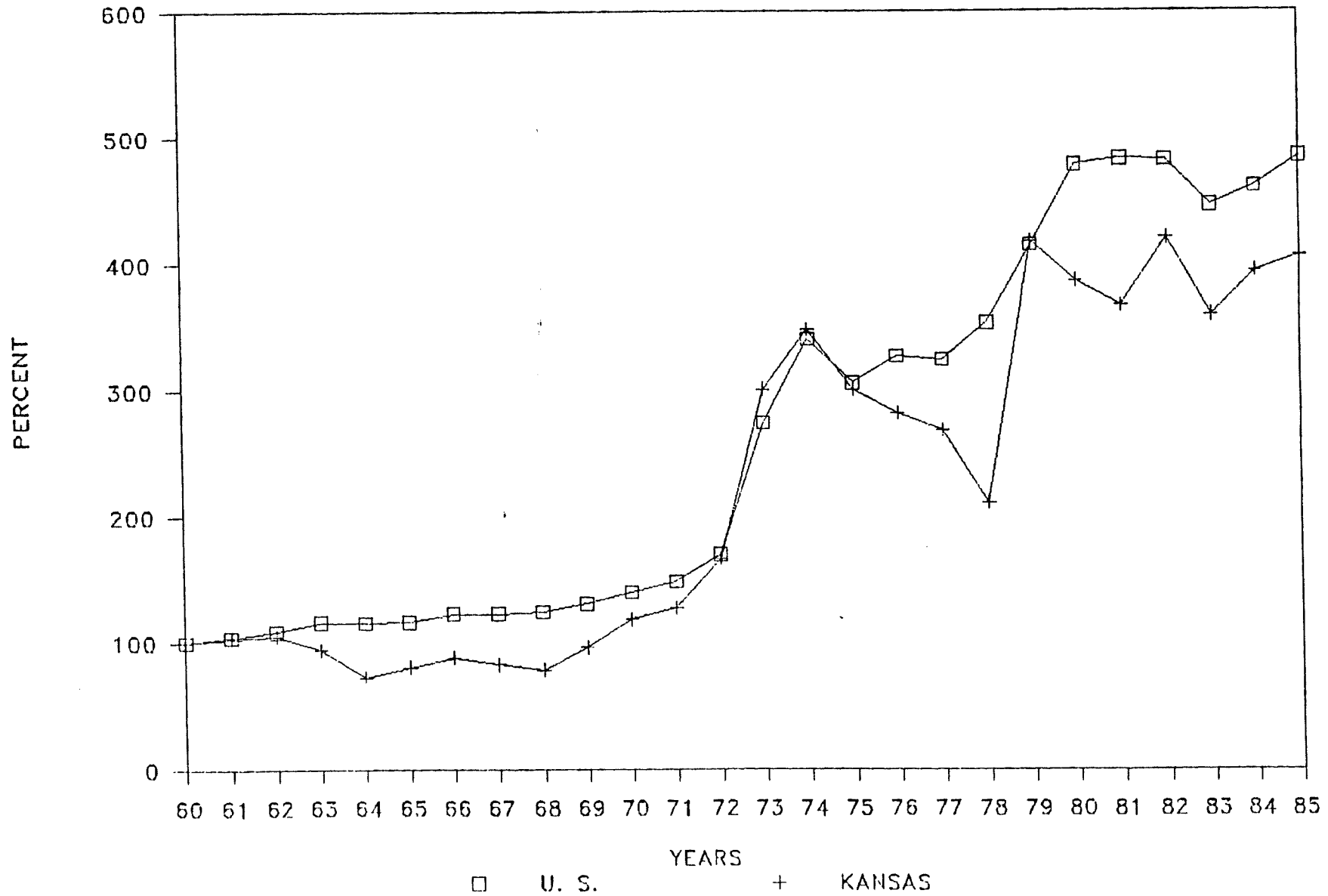
U.S. AND KANSAS TOTAL CASH RECEIPTS

AS A PERCENT OF 1960



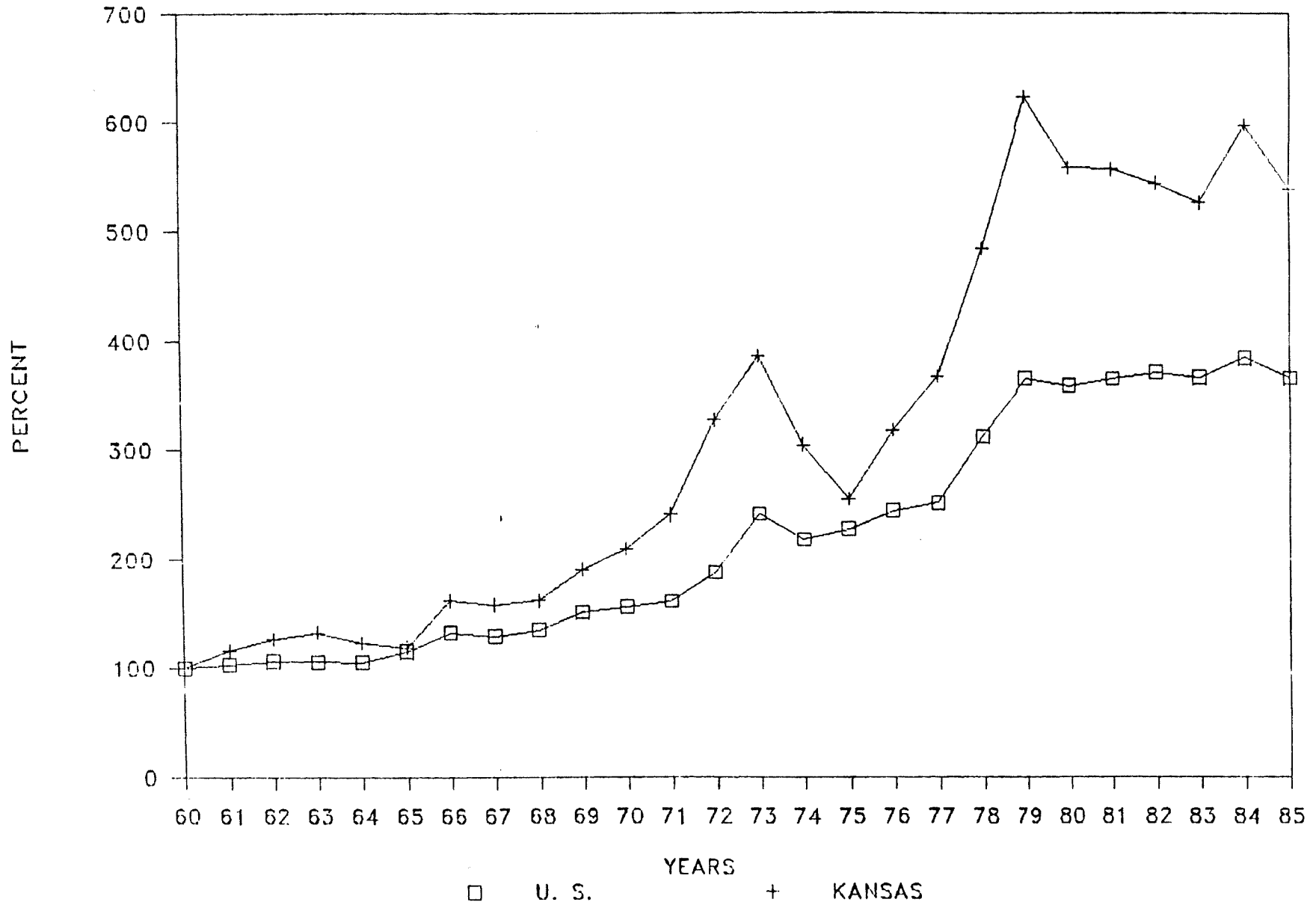
U.S. AND KANSAS CROPS CASH RECEIPTS

AS A PERCENT OF 1960



U.S. AND KANSAS LIVESTOCK CASH RECEIPTS

AS A PERCENT OF 1960

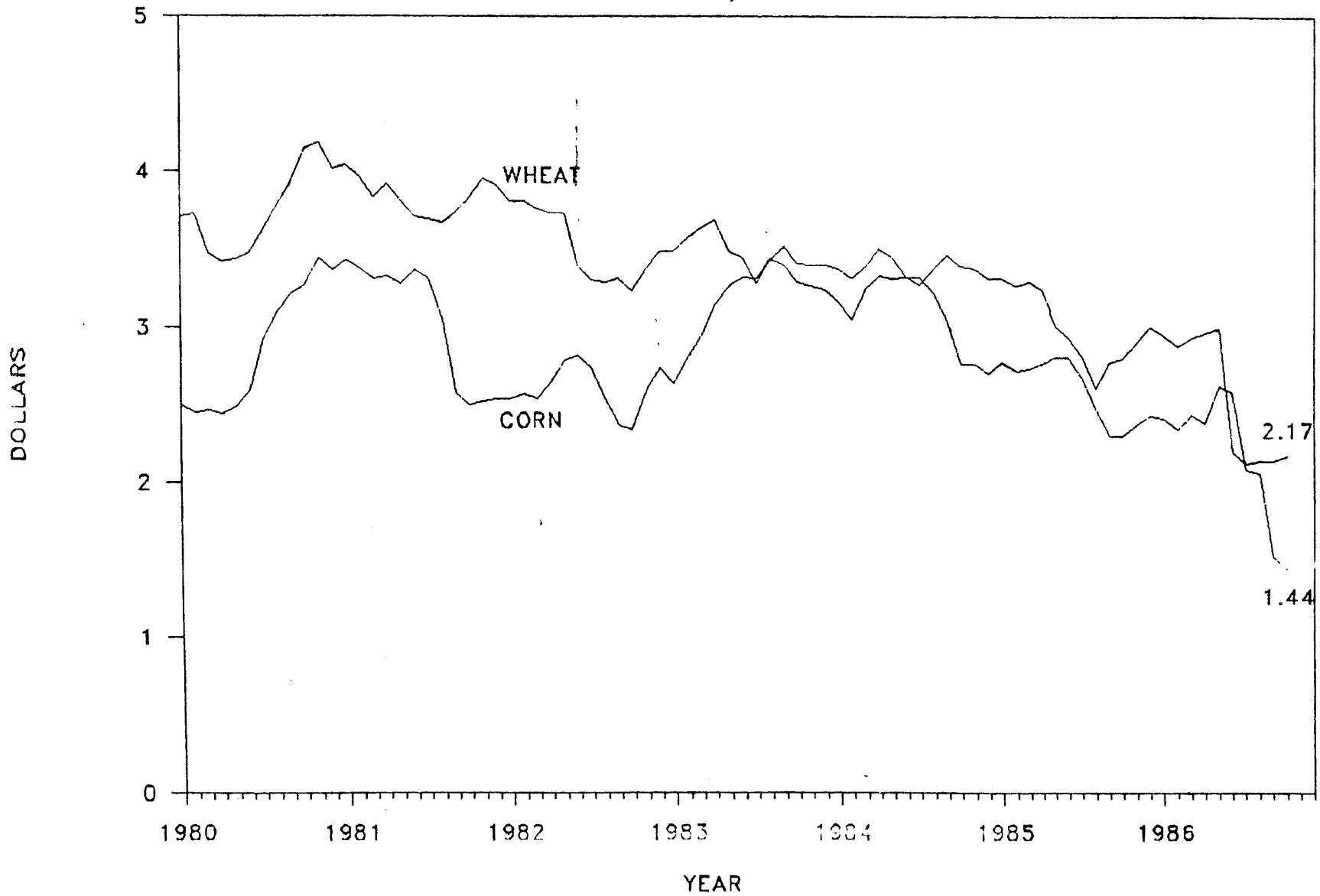


PERCENT OF CASH RECEIPTS FROM MARKETINGS

| Year | Crops | | | Livestock and products | | | | | | Total Crops and Live-stock |
|------------------|-------|-------------|-------------|------------------------|------|----------------|------------------|------------------|-------------------------------|----------------------------|
| | Wheat | Other Crops | Total Crops | Cattle and Calves | Hogs | Dairy Products | Poultry and Eggs | Other Live-stock | Total Live-stock and Products | |
| PERCENT OF TOTAL | | | | | | | | | | |
| 1930... | 24.3 | 10.2 | 34.5 | 29.1 | 15.0 | 9.0 | 10.5 | 1.9 | 65.5 | 100.0 |
| 1940... | 28.8 | 7.1 | 35.9 | 31.9 | 8.7 | 12.4 | 8.6 | 2.5 | 64.1 | 100.0 |
| 1950... | 33.7 | 11.0 | 44.7 | 34.0 | 6.6 | 6.1 | 5.5 | 3.1 | 55.3 | 100.0 |
| 1960... | 35.8 | 14.4 | 50.2 | 35.7 | 4.9 | 5.1 | 2.8 | 1.3 | 49.8 | 100.0 |
| 1970... | 22.4 | 13.9 | 36.3 | 49.9 | 7.4 | 4.8 | 1.1 | .5 | 63.7 | 100.0 |
| 1975... | 32.6 | 21.0 | 53.6 | 33.8 | 7.6 | 3.6 | .7 | .7 | 46.4 | 100.0 |
| 1979... | 25.4 | 15.0 | 40.4 | 50.7 | 5.3 | 2.5 | .4 | .7 | 59.6 | 100.0 |
| 1980... | 24.6 | 16.6 | 41.2 | 49.7 | 5.1 | 3.0 | .3 | .7 | 58.8 | 100.0 |
| 1981... | 23.3 | 16.1 | 39.4 | 50.5 | 5.7 | 3.4 | .4 | .6 | 60.6 | 100.0 |
| 1982... | 25.5 | 18.2 | 43.7 | 46.2 | 5.9 | 3.2 | .4 | .6 | 56.3 | 100.0 |
| 1983... | 26.3 | 14.5 | 40.8 | 48.8 | 5.8 | 3.6 | .4 | .6 | 59.2 | 100.0 |
| 1984... | 24.9 | 15.1 | 40.0 | 51.2 | 5.0 | 2.8 | .5 | .5 | 60.0 | 100.0 |
| 1985... | 23.8 | 19.4 | 43.2 | 48.0 | 4.8 | 3.0 | .4 | .6 | 56.8 | 100.0 |

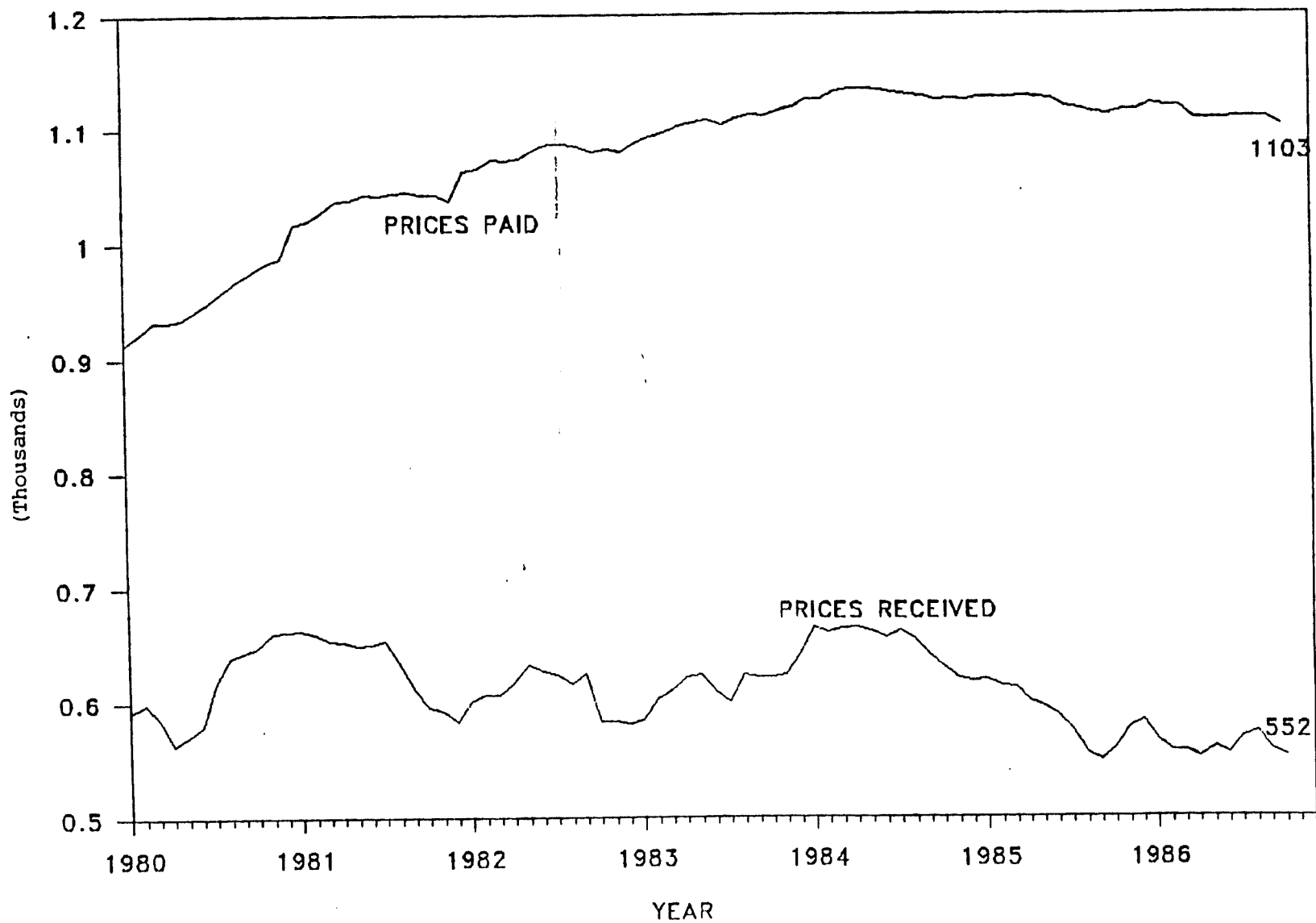
PRICES RECEIVED BY KANSAS FARMERS

WHEAT AND CORN, PER BUSHEL

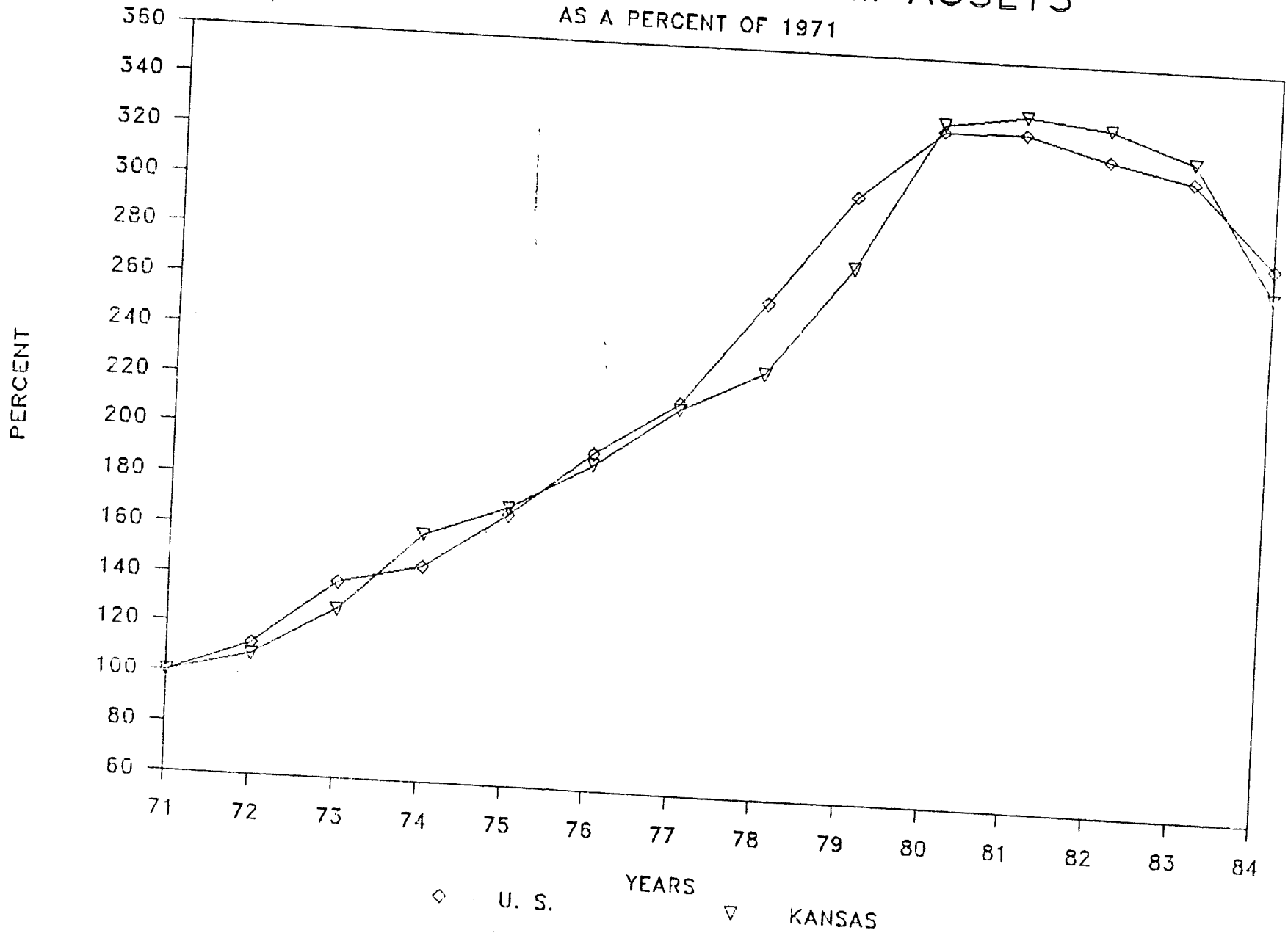


PRICES PAID AND RECEIVED INDEXES, U. S.

1910 - 1914 = 100



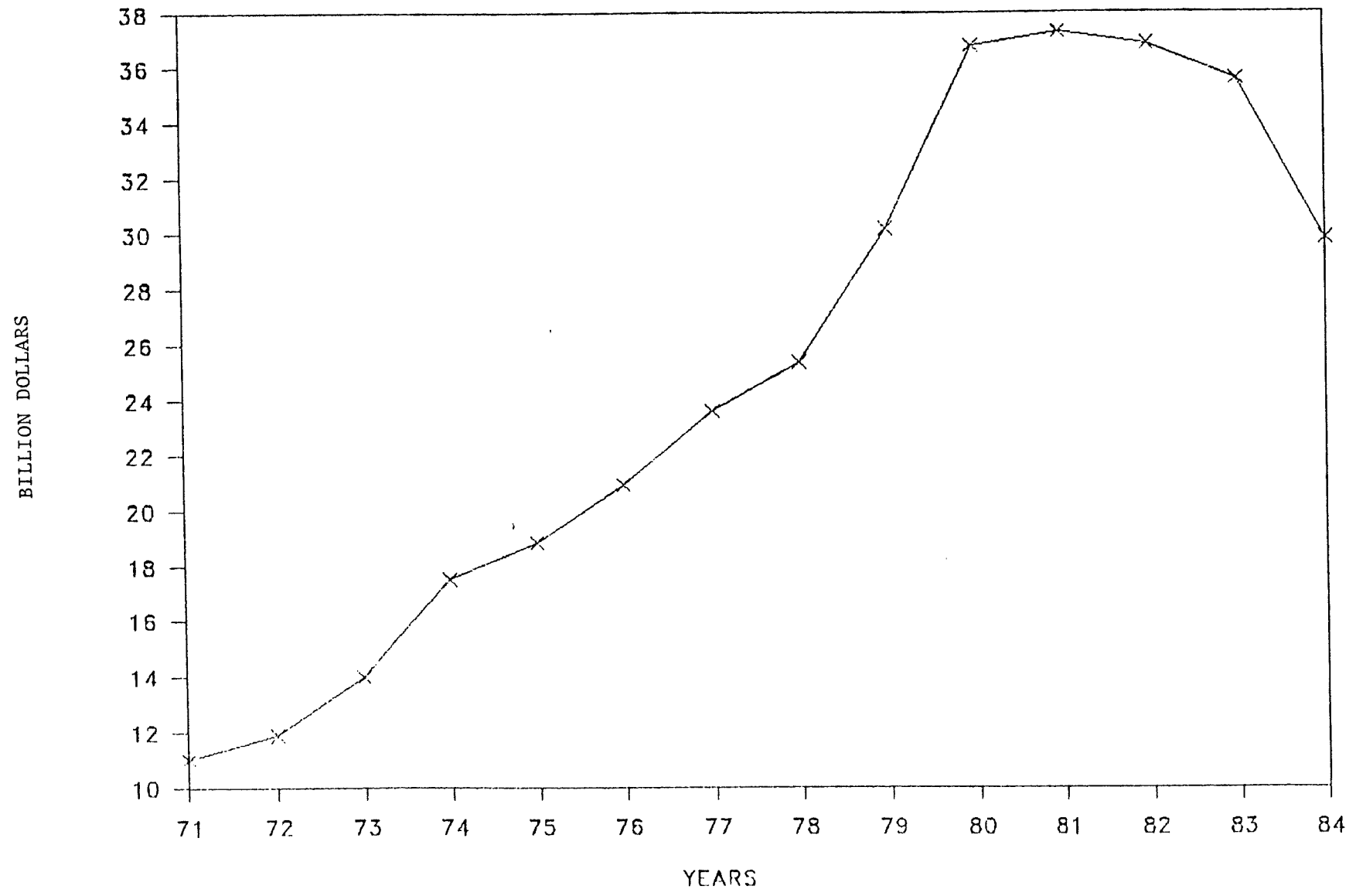
U.S. AND KANSAS FARM ASSETS AS A PERCENT OF 1971



KANSAS FARM ASSETS

EXCLUDING FARM HOUSEHOLDS

*decline particularly
to land & machinery
values*



HIGHLIGHTS

Poultry and dairy operations showed the highest net cash farm income, \$18,861 and \$16,294, respectively. Beef was the lowest at \$5,344. Other livestock (mostly sheep and horses) and beef operations had the highest off-farm income.

Ages of operator had little impact on income except for those over 65 where income from both on and off-farm sources was greatly reduced.

Size of farm and gross sales were positively related with net cash farm income while off-farm income generally decreased with size.

Net cash receipts from farming in Kansas averaged \$10,727 in 1985 and ranged from \$5,990 in the eastern third of the State to \$25,771 in the western third. Depreciation was not included in this calculation.

Statewide, 57 percent of the total income per farm came from off-farm sources. This varied from 26.5 percent in the west to 72.4 percent in the east.

KANSAS FARM INCOME AND EXPENSES

| ITEM | Gross Value Of Sales, All Farms | Expenditures, All Farms | Net Cash Receipts From Farm- ing 1/ | Off-Farm Income | Total Income (Net Cash Receipts + Off-Farm Income) | Net Cash Receipts As % Of Total Income |
|------------------------|---------------------------------------|----------------------------|--|--------------------|---|--|
| | | | | | | |
| TYPE OF FARM | | | | | | |
| Crops | \$ 62,268 | \$ 49,202 | \$13,066 | \$12,149 | \$25,215 | 51.8 |
| Beef | 88,323 | 82,979 | 5,344 | 17,898 | 23,242 | 23.0 |
| Dairy | 107,338 | 91,044 | 16,294 | 4,658 | 20,952 | 77.8 |
| Swine | 81,359 | 71,240 | 10,119 | 15,703 | 25,822 | 39.2 |
| Poultry | 132,213 | 113,352 | 18,861 | 4,719 | 23,579 | 80.0 |
| Other Livestock | 50,446 | 42,561 | 7,886 | 23,970 | 31,856 | 24.7 |
| All Other | 63,441 | 53,502 | 9,939 | 16,517 | 26,456 | 37.6 |
| TOTAL ALL FARMS | 70,352 | 59,625 | 10,727 | 14,217 | 24,944 | 43.0 |
| AGE OF OPERATOR | | | | | | |
| Under 35 Years | 74,362 | 58,772 | 15,590 | 12,842 | 28,432 | 54.8 |
| 35 - 44 | 96,200 | 85,829 | 10,370 | 19,680 | 30,050 | 34.5 |
| 45 - 54 | 87,850 | 78,322 | 9,528 | 17,911 | 27,438 | 34.7 |
| 55 - 64 | 74,115 | 62,070 | 12,045 | 14,497 | 26,542 | 45.4 |
| 65+ | 30,474 | 22,150 | 8,323 | 7,379 | 15,702 | 53.0 |
| TOTAL ALL FARMS | 70,352 | 59,625 | 10,727 | 14,217 | 24,944 | 43.0 |
| SIZE OF FARM | | | | | | |
| 1-9 Acres | 2,018 | 850 | 1,168 | 20,200 | 21,368 | 5.5 |
| 10-49 | 12,220 | 11,505 | 715 | 24,819 | 25,534 | 2.8 |
| 50-179 | 9,262 | 7,863 | 1,400 | 19,675 | 21,075 | 6.6 |
| 100-499 | 25,018 | 20,376 | 4,642 | 15,947 | 20,589 | 22.5 |
| 500-999 | 65,961 | 54,157 | 11,804 | 10,097 | 21,901 | 53.9 |
| 1,000-1,999 | 120,539 | 101,757 | 18,782 | 8,350 | 27,132 | 69.2 |
| 2,000+ | 333,652 | 289,975 | 43,677 | 8,747 | 52,424 | 83.3 |
| TOTAL ALL FARMS | 70,352 | 59,625 | 10,727 | 14,217 | 24,944 | 43.0 |
| GROSS SALES | | | | | | |
| Less than 10,000 Dol. | 4,537 | 4,580 | (43) | 20,385 | 20,342 | 0 |
| 10,000 - 39,999 | 21,530 | 17,919 | 3,612 | 14,981 | 18,593 | 19.4 |
| 40,000 - 99,999 | 63,417 | 49,639 | 13,778 | 9,438 | 23,216 | 59.3 |
| 100,000 - 249,999 | 152,823 | 124,717 | 28,106 | 8,319 | 36,426 | 77.2 |
| 250,000 - 499,999 | 346,368 | 259,477 | 86,891 | 8,519 | 95,411 | 91.1 |
| 500,000 | 979,310 | 952,874 | 26,436 | 13,256 | 39,693 | 66.6 |
| TOTAL ALL FARMS | 70,352 | 59,625 | 10,727 | 14,217 | 24,944 | 43.0 |

| ITEM | WEST | CENTRAL | EAST | STATE |
|--------------------------------------|-----------|----------|----------|----------|
| PERCENTAGE OF SAMPLE FARMS REPORTING | 26.7% | 27.8% | 28.2% | 27.8% |
| GROSS SALES PER FARM | \$157,547 | \$62,394 | \$45,175 | \$70,352 |
| EXPENDITURES PER FARM | \$131,776 | \$52,574 | \$39,185 | \$59,625 |
| NET CASH RECEIPTS FROM FARMING 1/ | \$ 25,771 | \$ 9,820 | \$ 5,990 | \$10,727 |
| Percent of Total Income | 73.5% | 40.3% | 27.6% | 43.0% |
| OFF-FARM INCOME | \$ 9,283 | \$14,571 | \$15,724 | \$14,217 |
| Percent of Total Income | 26.5% | 59.7% | 72.4% | 57.0% |
| TOTAL INCOME PER FARM 1/ | \$ 35,054 | \$24,391 | \$21,714 | \$24,944 |
| TOTAL DEBT PER FARM | \$164,269 | \$91,036 | \$61,687 | \$89,873 |
| INTEREST PAID ON FARM LOANS | | | | |
| All Farms | \$17,371 | \$ 8,462 | \$ 6,041 | \$ 8,841 |
| Percent of Gross Sales | 11.0% | 13.6% | 13.4% | 12.6% |
| Percent of Total Expenditures | 13.2% | 16.1% | 15.4% | 14.8% |
| Percent of Total Debt | 10.6% | 9.3% | 9.8% | 9.8% |

1/ No allowance made for depreciation.

KEY ISSUES

1. With only 50,000 farms by the year 2000, will we continue to lose population or will we develop the agribusiness structure required to maintain Kansas agriculture? *the KS economy.*
2. Artificial limits which impede productivity will reduce our competitive edge. We need continued agricultural research to maintain productivity and quality, and we need to reduce barriers to increased size.
3. *how* → We need to help farmers improve their marketing skills. Most farmers devote relatively little effort to marketing, but we have heard of one farm family in Illinois where one son is designated as the full-time marketer.
4. We need to improve Kansas markets and bring them closer to home. We need hog slaughter plants in the state, and we need food processing plants for the further processing of Kansas products.
5. While exports are not the total answer, they continue to be an important market for Kansas crops. We need to be positive about exports and promote our products based on price, quality and dependability.

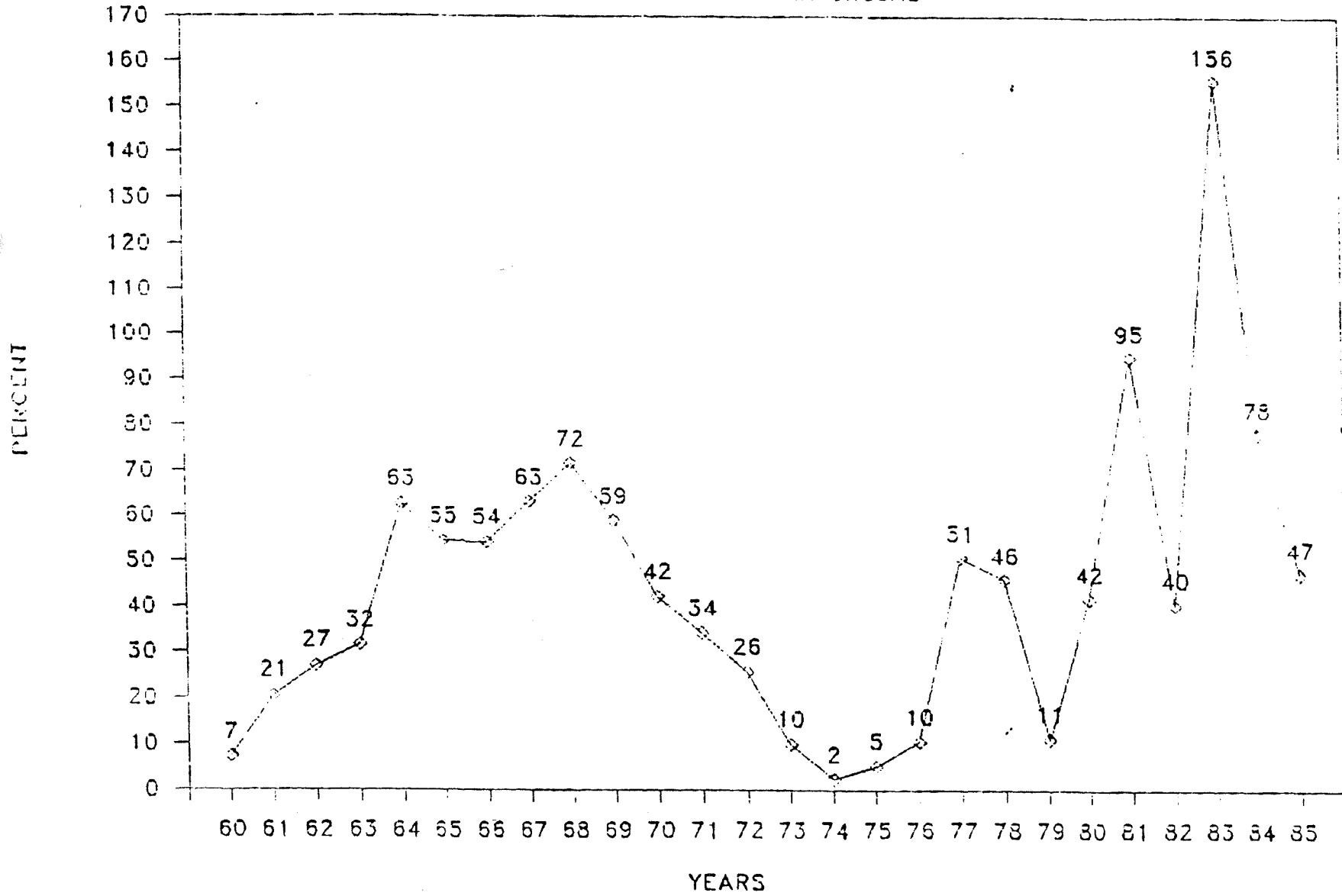
KANSAS

NET INCOME AND GOVT PAYMENTS

| YEAR | NET INCOME (\$ 000) | GOVT PAYMENTS (\$ 000) | % OF TOTAL |
|------|---------------------------|------------------------------|---------------|
| 60 | 396,000 | 28,455 | 7 |
| 61 | 404,800 | 83,260 | 21 |
| 62 | 389,500 | 105,362 | 27 |
| 63 | 355,200 | 112,369 | 32 |
| 64 | 301,100 | 188,763 | 63 |
| 65 | 380,100 | 207,259 | 55 |
| 66 | 416,300 | 225,641 | 54 |
| 67 | 336,400 | 212,379 | 63 |
| 68 | 318,900 | 228,176 | 72 |
| 69 | 398,400 | 235,247 | 59 |
| 70 | 538,000 | 227,639 | 42 |
| 71 | 637,000 | 217,741 | 34 |
| 72 | 955,900 | 246,409 | 26 |
| 73 | 1,521,900 | 150,445 | 10 |
| 74 | 1,023,000 | 22,457 | 2 |
| 75 | 756,500 | 38,394 | 5 |
| 76 | 485,800 | 50,824 | 10 |
| 77 | 464,800 | 236,689 | 51 |
| 78 | 654,200 | 300,926 | 46 |
| 79 | 1,139,900 | 125,838 | 11 |
| 80 | 222,900 | 93,251 | 42 |
| 81 | 244,200 | 231,760 | 95 |
| 82 | 694,300 | 280,264 | 40 |
| 83 | 389,600 | 606,908 | 156 |
| 84 | 735,400 | 573,878 | 78 |
| 85 | 1,020,000 | 482,200 | 47 |

KANSAS GOVT PAYMENTS

PERCENT OF NET FARM INCOME





formerly

KANSAS CROP AND LIVESTOCK REPORTING SERVICE

ROOM 290
444 S. E. QUINCY
TOPEKA, KANSAS 66683

M. E. (MOE) JOHNSON
STATE STATISTICIAN
PHONE (913) 295-2600



UNITED STATES
DEPARTMENT OF AGRICULTURE
NATIONAL AGRICULTURAL STATISTICS SERVICE

KANSAS STATE
BOARD OF AGRICULTURE
DIVISION OF STATISTICS

December 10, 1986

TO: Commission on the Future of Kansas Agriculture
FROM: M. E. Johnson, State Statistician
SUBJECT: Additional Materials

At your meeting on November 25 in Topeka some questions were raised about cost of production and changes in farm numbers. As a result of those questions we prepared some additional materials for Sam, and he has asked that we get copies of those materials to you.

As I recall, one question raised had to do with the differences in the decline in number of farms by area of the state. In response to that we prepared the attached outline map which shows by county the number of farms in 1986 as a percent of the number of farms in 1964. You will note there was a change in definition between those two periods. You may also note that the percentage decline in farm numbers was much greater in the east than in the west. Some counties in the west show an increase between those two time periods. I would attribute much of that increase to inflation.

There was also a question about the relative importance of commercial farms. If commercial farms could be defined as those with sales of \$10,000 or more, the 1982 Census of Agriculture shows nearly two-thirds of Kansas farms falling in that classification. One can also see that the percentage of commercial farms in the west is greater than the percentage of commercial farms in the east.

Finally, a question was raised regarding per unit cost of production, and we prepared from Economic Research Service publications, based on national surveys, per bushel costs for corn, sorghum, winter wheat and soybeans. These are summarized as shown in the attachment. We have placed an "X" by those costs that exceeded the Kansas season average price for that year. We have also shown a very preliminary season average price for the 1986 crop year which began in July for wheat and in September for the other crops. Behind those tables are detailed tables that this summary was based on.

Please let us know if you have any questions regarding these materials.

PER-UNIT COSTS FOR MAJOR CROPS IN THE REGIONS INCLUDING KANSAS

| | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986 1/</u> |
|---|-------------|--------------------|-------------|----------------|
| | | Dollars Per Bushel | | |
| CORN (NORTHERN PLAINS) | | | | |
| Cash Expense | 2.57 | 1.97 | 1.77 | |
| Cash Expense With Capital Replacement | 3.05 | 2.34 | 2.09 | |
| Economic Cost Excluding Land | 2.84 | 2.23 | 2.00 | |
| Economic Cost Including Land | 3.47 x | 2.77 | 2.41 | |
| Kansas Season Average Price | 3.25 | (2.77) | (2.45) | 1.51 |
| SORGHUM (CENTRAL PLAINS) | | | | |
| Cash Expense | 2.23 | 1.88 | 1.48 | |
| Cash Expense With Capital Replacement | 2.85 x | 2.38 x | 1.87 | |
| Economic Cost Excluding Land | 2.83 x | 2.42 x | 1.93 | |
| Economic Cost Including Land | 3.50 x | 2.93 x | 2.33 x | |
| Kansas Season Average Price | (2.70) | (2.25) | (2.30) | 1.30 |
| HARD RED WINTER WHEAT (CENTRAL PLAINS) | | | | |
| Cash Expense | 2.16 | 2.41 | 2.33 | |
| Cash Expense With Capital Replacement | 2.69 | 3.00 | 2.92 | |
| Economic Cost Excluding Land | 2.52 | 2.82 | 2.75 | |
| Economic Cost Including Land | 3.47 x | 3.70 x | 3.41 x | |
| Kansas Season Average Price | (3.46) | (3.32) | (3.05) | 2.16 |
| SOYBEANS (NORTHERN PLAINS) | | | | |
| Cash Expense | 4.32 | 4.73 | 3.09 | |
| Cash Expense With Capital Replacement | 5.19 | 5.68 | 3.72 | |
| Economic Cost Excluding Land | 4.61 | 5.11 | 3.35 | |
| Economic Cost Including Land | 7.05 | 6.86 x | 4.66 | |
| Kansas Season Average Price | (7.79) | (5.74) | (4.95) | 4.52 |

1/ Projected Season Average Price for 1986 marketing year beginning June 1, 1986 for wheat and September 1, 1986 for corn, sorghum, and soybeans.

TABLE 4--CORN PRODUCTION COSTS, NORTHERN PLAINS, 1983-85 1/, 2/

| ITEM | 1983 | 1984 | 1985 |
|---|--------|--------|--------|
| <u>DOLLARS PER PLANTED ACRE</u> | | | |
| CASH RECEIPTS: | | | |
| PRIMARY CROP | 244.74 | 263.79 | 252.86 |
| TOTAL | 244.74 | 263.79 | 252.86 |
| ----- | | | |
| CASH EXPENSES: | | | |
| SEED | 15.38 | 17.07 | 17.76 |
| FERTILIZER | 28.91 | 33.44 | 38.18 |
| LIME AND GYPSUM | .03 | .02 | .02 |
| CHEMICALS | 17.09 | 16.20 | 15.31 |
| CUSTOM OPERATIONS | 5.22 | 5.13 | 5.15 |
| FUEL, LUBE, AND ELECTRICITY | 29.44 | 25.95 | 23.82 |
| REPAIRS | 15.75 | 16.08 | 15.76 |
| HIRED LABOR | 1.91 | 2.05 | 2.09 |
| PURCHASED IRRIGATION WATER | 1.35 | 1.37 | 1.37 |
| DRYING | 3.79 | 3.85 | 3.98 |
| MISCELLANEOUS | .28 | .29 | .28 |
| TECHNICAL SERVICES | .49 | .45 | .44 |
| TOTAL, VARIABLE EXPENSES | 119.64 | 121.90 | 124.17 |
| GENERAL FARM OVERHEAD | 17.81 | 17.77 | 17.54 |
| TAXES AND INSURANCE | 15.39 | 16.44 | 16.81 |
| INTEREST | 51.12 | 48.22 | 46.08 |
| TOTAL, FIXED EXPENSES | 84.32 | 82.43 | 80.43 |
| TOTAL, CASH EXPENSES | 203.96 | 204.33 | 204.60 |
| RECEIPTS LESS CASH EXPENSES | 40.78 | 59.46 | 48.26 |
| CAPITAL REPLACEMENT | 38.09 | 38.47 | 37.60 |
| RECEIPTS LESS CASH EXPENSES AND REPLACEMENT | 2.69 | 20.99 | 10.66 |
| ----- | | | |
| ECONOMIC (FULL OWNERSHIP) COSTS: | | | |
| VARIABLE EXPENSES | 119.64 | 121.90 | 124.17 |
| GENERAL FARM OVERHEAD | 17.81 | 17.77 | 17.54 |
| TAXES AND INSURANCE | 15.39 | 16.44 | 16.81 |
| CAPITAL REPLACEMENT | 38.09 | 38.47 | 37.60 |
| ALLOCATED RETURNS TO OWNED INPUTS: | | | |
| RETURN TO OPERATING CAPITAL <u>3/</u> | 4.59 | 5.26 | 4.24 |
| RETURN TO OTHER NONLAND CAPITAL <u>4/</u> | 14.50 | 14.85 | 14.73 |
| NET LAND RENT <u>5/</u> | 49.73 | 55.29 | 46.71 |
| UNPAID LABOR | 15.47 | 16.56 | 16.94 |
| TOTAL, ECONOMIC COSTS | 275.22 | 286.54 | 278.73 |
| RESIDUAL RETURNS TO MANAGEMENT AND RISK <u>6/</u> | -30.48 | -22.75 | -25.87 |
| TOTAL, RETURNS TO OWNED INPUTS <u>7/</u> | 53.81 | 69.21 | 56.74 |
| ----- | | | |
| HARVEST-PERIOD PRICE (DOLLARS/BU.) | 3.08 | 2.55 | 2.18 |
| YIELD (BU./PLANTED ACRE) | 79.40 | 103.59 | 115.84 |

1/ TO ESTIMATE THE PER-UNIT EXPENSE OR COST OF PRODUCTION FROM THESE ITEMS, REFER TO TEXT SECTION "USING COST-OF-PRODUCTION DATA." 2/ SUM OF OPERATOR AND LANDLORD EXPENSES. 3/ VARIABLE EXPENSE ITEMS MULTIPLIED BY PART OF YEAR USED AND THE 6-MONTH U.S. TREASURY BILL RATE (SEE PG. 19). 4/ VALUE OF MACHINERY AND EQUIPMENT MULTIPLIED BY LONGRUN REAL RATE OF RETURN TO PRODUCTION ASSETS IN FARM SECTOR (SEE PG. 19). 5/ OF TOTAL ACRES RENTED, PERCENTAGE OF CASH- AND SHARE-RENTED ACRES MULTIPLIED BY THE AVERAGE CASH AND SHARE RENT. 6/ CALCULATED BY SUBTRACTING TOTAL ECONOMIC (FULL OWNERSHIP) COSTS FROM TOTAL CASH RECEIPTS. 7/ SUM OF ALLOCATED AND RESIDUAL RETURNS.

TABLE 8--SORGHUM PRODUCTION COSTS, CENTRAL PLAINS, 1983-85 1/, 2/

| ITEM | 1983 | 1984 | 1985 |
|---|--------|--------|--------|
| <u>DOLLARS PER PLANTED ACRE</u> | | | |
| CASH RECEIPTS: | | | |
| PRIMARY CROP | 127.27 | 119.87 | 122.46 |
| TOTAL | 127.27 | 119.87 | 122.46 |
| CASH EXPENSES: | | | |
| SEED | 3.50 | 3.54 | 3.48 |
| FERTILIZER | 18.08 | 20.42 | 19.21 |
| LIME AND GYPSUM | .96 | 1.12 | 1.14 |
| CHEMICALS | 10.26 | 9.97 | 9.62 |
| CUSTOM OPERATIONS | 2.57 | 2.53 | 2.55 |
| FUEL, LUBE, AND ELECTRICITY | 14.06 | 11.70 | 11.21 |
| REPAIRS | 9.56 | 9.45 | 9.76 |
| HIRED LABOR | 1.59 | 1.64 | 1.76 |
| PURCHASED IRRIGATION WATER | .09 | .09 | .09 |
| DRYING | .73 | .78 | .93 |
| MISCELLANEOUS | .13 | .13 | .13 |
| TECHNICAL SERVICES | .24 | .21 | .22 |
| TOTAL, VARIABLE EXPENSES | 61.77 | 61.58 | 60.11 |
| GENERAL FARM OVERHEAD | 7.76 | 7.74 | 7.80 |
| TAXES AND INSURANCE | 9.53 | 10.77 | 11.59 |
| INTEREST | 23.03 | 21.86 | 21.36 |
| TOTAL, FIXED EXPENSES | 40.32 | 40.37 | 40.75 |
| TOTAL, CASH EXPENSES | 102.09 | 101.95 | 100.85 |
| RECEIPTS LESS CASH EXPENSES | 25.18 | 17.92 | 21.61 |
| CAPITAL REPLACEMENT | 28.20 | 26.88 | 27.29 |
| RECEIPTS LESS CASH EXPENSES AND REPLACEMENT | -3.02 | -8.96 | -5.68 |
| ECONOMIC (FULL OWNERSHIP) COSTS: | | | |
| VARIABLE EXPENSES | 61.77 | 61.58 | 60.11 |
| GENERAL FARM OVERHEAD | 7.76 | 7.74 | 7.80 |
| TAXES AND INSURANCE | 9.53 | 10.77 | 11.59 |
| CAPITAL REPLACEMENT | 28.20 | 26.88 | 27.29 |
| ALLOCATED RETURNS TO OWNED INPUTS: | | | |
| RETURN TO OPERATING CAPITAL <u>3/</u> | 2.23 | 2.36 | 1.78 |
| RETURN TO OTHER NONLAND CAPITAL <u>4/</u> | 10.36 | 11.79 | 12.37 |
| NET LAND RENT <u>5/</u> | 30.24 | 27.55 | 27.54 |
| UNPAID LABOR | 9.75 | 10.05 | 10.84 |
| TOTAL, ECONOMIC COSTS | 159.84 | 158.72 | 159.31 |
| RESIDUAL RETURNS TO MANAGEMENT AND RISK <u>6/</u> | -32.57 | -38.85 | -36.85 |
| TOTAL, RETURNS TO OWNED INPUTS <u>7/</u> | 20.01 | 12.90 | 15.68 |
| HARVEST-PERIOD PRICE (DOLLARS/BU.) | 2.78 | 2.22 | 1.79 |
| YIELD (BU./PLANTED ACRE) | 45.73 | 54.11 | 68.37 |

1/ TO ESTIMATE THE PER-UNIT EXPENSE OR COST OF PRODUCTION FROM THESE ITEMS, REFER TO TEXT SECTION "USING COST-OF-PRODUCTION DATA." 2/ SUM OF OPERATOR AND LANDLORD EXPENSES. 3/ VARIABLE EXPENSE ITEMS MULTIPLIED BY PART OF YEAR USED AND THE 6-MONTH U.S. TREASURY BILL RATE (SEE PG. 19). 4/ VALUE OF MACHINERY AND EQUIPMENT MULTIPLIED BY LONGRUN REAL RATE OF RETURN TO PRODUCTION ASSETS IN FARM SECTOR (SEE PG. 19). 5/ OF TOTAL ACRES RENTED, PERCENTAGE OF CASH- AND SHARE-RENTED ACRES MULTIPLIED BY THE AVERAGE CASH AND SHARE RENT. 6/ CALCULATED BY SUBTRACTING TOTAL ECONOMIC (FULL OWNERSHIP) COSTS FROM TOTAL CASH RECEIPTS. 7/ SUM OF ALLOCATED AND RESIDUAL RETURNS.

TABLE 23--HARD RED WINTER WHEAT PRODUCTION COSTS, CENTRAL PLAINS,
1983-85 1/, 2/

| ITEM | 1983 | 1984 | 1985 |
|---|--------|--------|--------|
| <u>DOLLARS PER PLANTED ACRE</u> | | | |
| CASH RECEIPTS: | | | |
| PRIMARY CROP | 130.40 | 111.90 | 89.82 |
| SECONDARY CROP | 2.11 | 2.19 | 2.15 |
| TOTAL | 132.51 | 114.09 | 91.97 |
| CASH EXPENSES: | | | |
| SEED | 4.30 | 4.30 | 4.27 |
| FERTILIZER | 10.14 | 9.99 | 9.28 |
| LIME AND GYPSUM | .63 | .51 | .50 |
| CHEMICALS | 1.15 | 1.10 | 1.03 |
| CUSTOM OPERATIONS | 6.90 | 6.93 | 7.25 |
| FUEL, LUBE, AND ELECTRICITY | 9.99 | 8.45 | 7.61 |
| REPAIRS | 7.58 | 7.41 | 7.37 |
| HIRED LABOR | .79 | .78 | .81 |
| PURCHASED IRRIGATION WATER | .03 | .03 | .03 |
| MISCELLANEOUS | .22 | .22 | .22 |
| TECHNICAL SERVICES | .06 | .07 | .07 |
| TOTAL, VARIABLE EXPENSES | 41.79 | 39.80 | 38.44 |
| GENERAL FARM OVERHEAD | 8.79 | 9.04 | 9.01 |
| TAXES AND INSURANCE | 8.11 | 8.51 | 8.80 |
| INTEREST | 25.12 | 24.71 | 23.87 |
| TOTAL, FIXED EXPENSES | 42.02 | 42.26 | 41.68 |
| TOTAL, CASH EXPENSES | 83.81 | 82.06 | 80.12 |
| RECEIPTS LESS CASH EXPENSES | 48.70 | 32.03 | 11.85 |
| CAPITAL REPLACEMENT | 20.33 | 19.98 | 20.00 |
| RECEIPTS LESS CASH EXPENSES AND REPLACEMENT | 28.37 | 12.05 | -8.15 |
| ECONOMIC (FULL OWNERSHIP) COSTS: | | | |
| VARIABLE EXPENSES | 41.79 | 39.80 | 38.44 |
| GENERAL FARM OVERHEAD | 8.79 | 9.04 | 9.01 |
| TAXES AND INSURANCE | 8.11 | 8.51 | 8.80 |
| CAPITAL REPLACEMENT | 20.33 | 19.98 | 20.00 |
| ALLOCATED RETURNS TO OWNED INPUTS: | | | |
| RETURN TO OPERATING CAPITAL <u>3/</u> | 2.22 | 2.39 | 1.78 |
| RETURN TO OTHER NONLAND CAPITAL <u>4/</u> | 7.40 | 7.04 | 7.14 |
| NET LAND RENT <u>5/</u> | 36.52 | 30.06 | 22.69 |
| UNPAID LABOR | 9.05 | 9.02 | 9.26 |
| TOTAL, ECONOMIC COSTS | 134.21 | 125.83 | 117.12 |
| RESIDUAL RETURNS TO MANAGEMENT AND RISK <u>6/</u> | -1.70 | -11.74 | -25.15 |
| TOTAL, RETURNS TO OWNED INPUTS <u>7/</u> | 53.49 | 36.76 | 15.72 |
| HARVEST-PERIOD PRICE (DOLLARS/BU.) | 3.37 | 3.29 | 2.62 |
| YIELD (BU./PLANTED ACRE) | 38.73 | 34.02 | 34.34 |

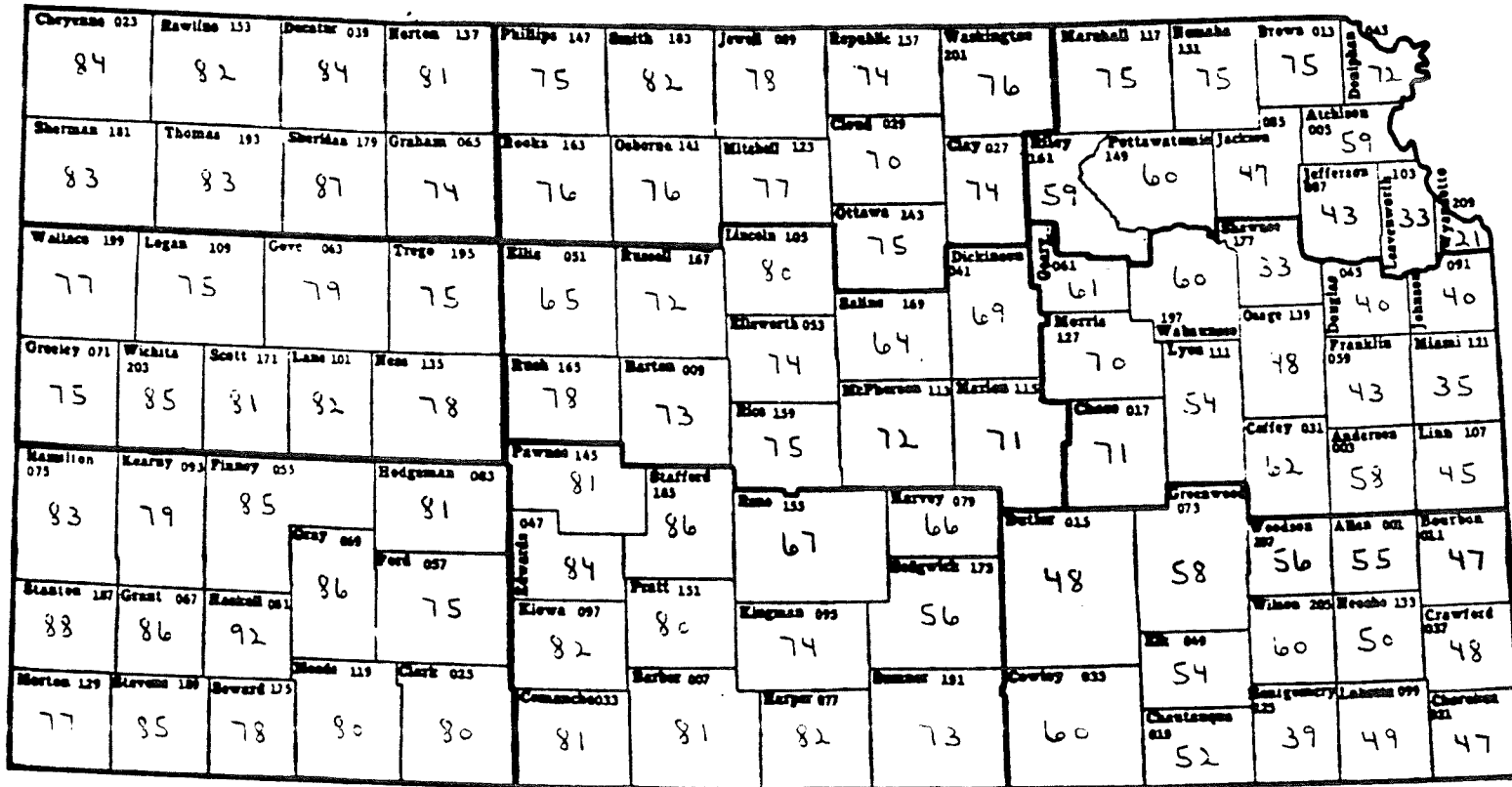
1/ TO ESTIMATE THE PER-UNIT EXPENSE OR COST OF PRODUCTION FROM THESE ITEMS, REFER TO TEXT SECTION "USING COST-OF-PRODUCTION DATA." 2/ SUM OF OPERATOR AND LANDLORD EXPENSES. 3/ VARIABLE EXPENSE ITEMS MULTIPLIED BY PART OF YEAR USED AND THE 6-MONTH U.S. TREASURY BILL RATE (SEE PG. 19). 4/ VALUE OF MACHINERY AND EQUIPMENT MULTIPLIED BY LONGRUN REAL RATE OF RETURN TO PRODUCTION ASSETS IN FARM SECTOR (SEE PG. 19). 5/ OF TOTAL ACRES RENTED, PERCENTAGE OF CASH- AND SHARE-RENTED ACRES MULTIPLIED BY THE AVERAGE CASH AND SHARE RENT. 6/ CALCULATED BY SUBTRACTING TOTAL ECONOMIC (FULL OWNERSHIP) COSTS FROM TOTAL CASH RECEIPTS. 7/ SUM OF ALLOCATED AND RESIDUAL RETURNS.

TABLE 42--SOYBEAN PRODUCTION COSTS, NORTHERN PLAINS, 1983-85 1/, 2/

| ITEM | 1983 | 1984 | 1985 |
|---|--------|--------|--------|
| <u>DOLLARS PER PLANTED ACRE</u> | | | |
| CASH RECEIPTS: | | | |
| PRIMARY CROP | 185.69 | 125.65 | 151.45 |
| TOTAL | 185.69 | 125.65 | 151.45 |
| CASH EXPENSES: | | | |
| SEED | 6.11 | 8.97 | 7.43 |
| FERTILIZER | 3.26 | 2.68 | 2.50 |
| LIME AND GYPSUM | .12 | .12 | .11 |
| CHEMICALS | 13.73 | 13.43 | 12.85 |
| CUSTOM OPERATIONS ³ | 3.40 | 3.57 | 3.71 |
| FUEL, LUBE, AND ELECTRICITY | 9.87 | 8.60 | 8.13 |
| REPAIRS | 7.45 | 7.50 | 7.47 |
| HIRED LABOR | 1.42 | 1.51 | 1.58 |
| MISCELLANEOUS | .04 | .04 | .04 |
| TOTAL, VARIABLE EXPENSES | 45.40 | 46.42 | 43.82 |
| GENERAL FARM OVERHEAD | 11.26 | 11.87 | 12.11 |
| TAXES AND INSURANCE | 11.20 | 11.73 | 12.43 |
| INTEREST | 32.57 | 31.92 | 31.53 |
| TOTAL, FIXED EXPENSES | 55.03 | 55.52 | 56.08 |
| TOTAL, CASH EXPENSES | 100.43 | 101.94 | 99.90 |
| RECEIPTS LESS CASH EXPENSES | 85.26 | 23.71 | 51.55 |
| CAPITAL REPLACEMENT | 20.44 | 20.57 | 20.45 |
| RECEIPTS LESS CASH EXPENSES AND REPLACEMENT | 64.82 | 3.14 | 31.10 |
| ECONOMIC (FULL OWNERSHIP) COSTS: | | | |
| VARIABLE EXPENSES | 45.40 | 46.42 | 43.82 |
| GENERAL FARM OVERHEAD | 11.26 | 11.87 | 12.11 |
| TAXES AND INSURANCE | 11.20 | 11.73 | 12.43 |
| CAPITAL REPLACEMENT | 20.44 | 20.57 | 20.45 |
| ALLOCATED RETURNS TO OWNED INPUTS: | | | |
| RETURN TO OPERATING CAPITAL ^{3/} | 1.59 | 1.84 | 1.37 |
| RETURN TO OTHER NONLAND CAPITAL ^{4/} | 7.78 | 7.69 | 7.70 |
| NET LAND RENT ^{5/} | 56.86 | 37.78 | 42.30 |
| UNPAID LABOR | 9.50 | 10.10 | 10.57 |
| TOTAL, ECONOMIC COSTS | 164.03 | 148.00 | 150.75 |
| RESIDUAL RETURNS TO MANAGEMENT AND RISK ^{6/} | 21.66 | -22.35 | .70 |
| TOTAL, RETURNS TO OWNED INPUTS ^{7/} | 97.39 | 35.06 | 62.64 |
| HARVEST-PERIOD PRICE (DOLLARS/BU.) | 7.98 | 5.83 | 4.68 |
| YIELD (BU./PLANTED ACRE) | 23.27 | 21.56 | 32.38 |

1/ TO ESTIMATE THE PER-UNIT EXPENSE OR COST OF PRODUCTION FROM THESE ITEMS, REFER TO TEXT SECTION "USING COST-OF-PRODUCTION DATA." 2/ SUM OF OPERATOR AND LANDLORD EXPENSES. 3/ VARIABLE EXPENSE ITEMS MULTIPLIED BY PART OF YEAR USED AND THE 6-MONTH U.S. TREASURY BILL RATE (SEE PG. 19). 4/ VALUE OF MACHINERY AND EQUIPMENT MULTIPLIED BY LONGRUN REAL RATE OF RETURN TO PRODUCTION ASSETS IN FARM SECTOR (SEE PG. 19). 5/ OF TOTAL ACRES RENTED, PERCENTAGE OF CASH- AND SHARE-RENTED ACRES MULTIPLIED BY THE AVERAGE CASH AND SHARE RENT. 6/ CALCULATED BY SUBTRACTING TOTAL ECONOMIC (FULL OWNERSHIP) COSTS FROM TOTAL CASH RECEIPTS. 7/ SUM OF ALLOCATED AND RESIDUAL RETURNS.

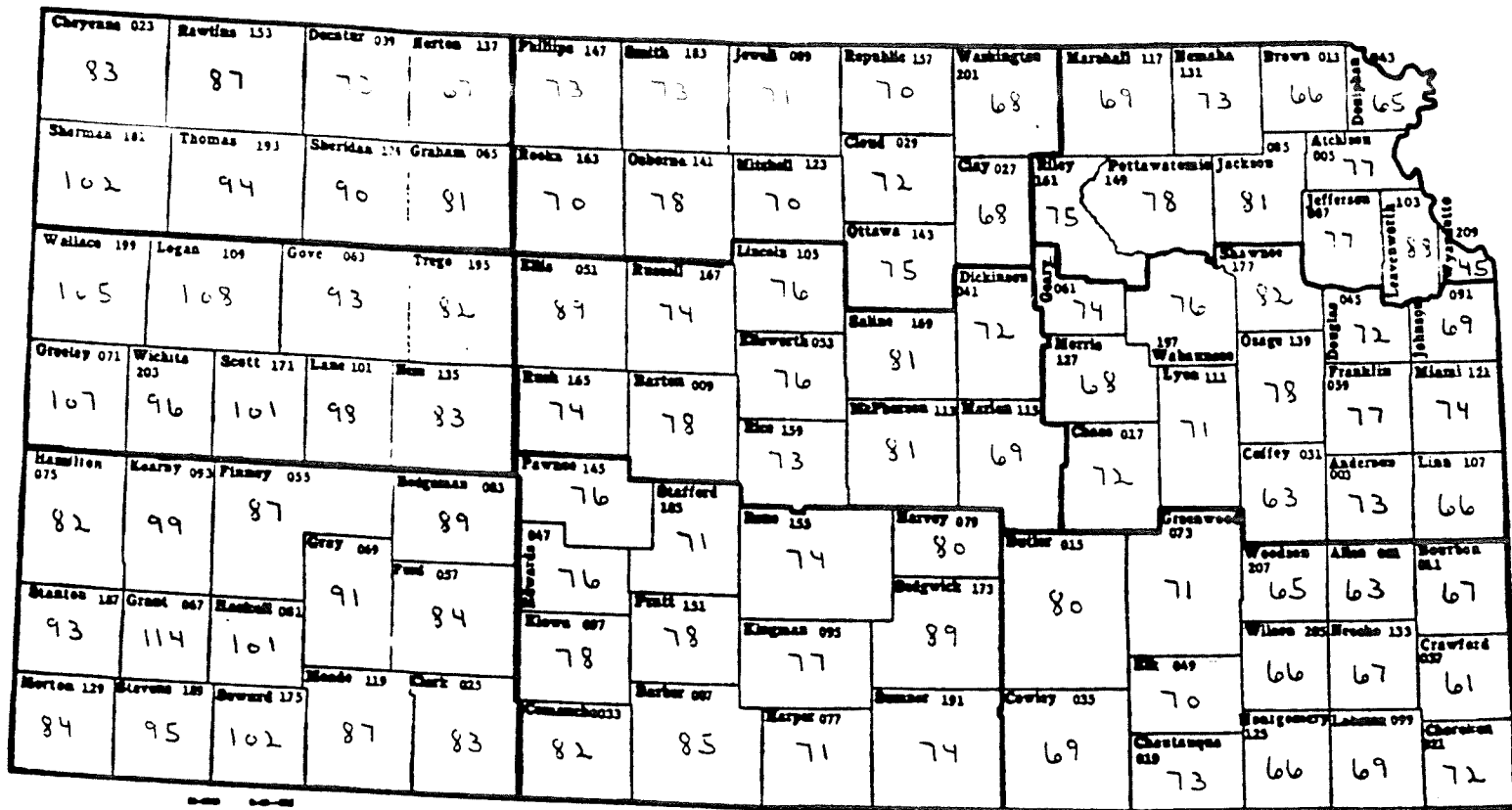
COMMERCIAL FARMS (SALES \$10,000 OR MORE) AS A PERCENT OF ALL FARMS,
 KANSAS BY COUNTY, 1982 U.S. CENSUS OF AGRICULTURE



see inside & back. Data marks 11/27/86

State Average - 65%

NUMBER OF FARMS 1986 AS A PERCENT OF FARMS 1964,
 KANSAS, KANSAS AGRICULTURAL STATISTICS AND U.S. CENSUS OF AGRICULTURE 1/



The result to date: 11/26/86

State Average 76%

1/ Farm Definition -- 1986 - Any place with annual sales of agricultural products of \$1,000 or more.
 1964 - A place of 10 or more acres that had annual sales of agricultural products of \$50 or more or a place of less than 10 acres that had annual sales of \$250 or more.

MINUTES OF SPECIAL KPA BOARD MEETING
JANURAY 24, 1987
RED COACH INN, MCPHERSON

Directors Present: Terry Dockter, Wayne Goertzen, Mark Miller, Wilburn Nelson, Bill Parmely, Leonard Sharp, Alfred Stucky, Waldo Waltner, Milo Warne, and Earl Wetta.

President Miller called the meeting to order at 12:45 p.m. After one hour of discussion concerning the Association's position on proposed legislation to change Kansas' CorporatE Farm Law so corporations could own poultry and egg production facilities, Bill Parmely made a motion, seconded by Wilburn Nelson, that the Association go on record as not opposed to the proposed changes in the Coporate Farm Law. Motion carried unanimously.


Wilburn Nelson discussed the status of dialogue between The Kansas and Nebraska Veterinary Diagnostic Laboratories concerning sharing of services. One concern about the KSU Laboratory is the lack of a printed fee schedule. Milo Warne made a motion, seconded by Terry Dockter, that the Association forward a request to Dr. Strafuss, Avian Pathologist, and Dr. Vorheis, Director of the KSU Veterinary Diagnostic Laboratory, requested a printed schedule of fees for various services offered by the laboratory. Motion carried.

The Secretary mentioned the audit and the fact that a bill had not been received from the accounting firm. Wilburn Nelson stated the accountant had visited with him and mentioned that their actual time spent on the audit was equivalent to \$1100. Wilburn Nelson made a motion, seconded by Terry Dockter, that the Secretary express to the accountant that the Association believes that amount to be high and to settle for the lowest possible amount and confer with the board prior to making a commitment for future services with this accounting firm. Motion carried.

Waldo Waltner made a motion, seconded by Earl Wetta, that the Secretary/Treasurer be granted the authority to write off any 1985-86 pass due accounts that he deemed non-collectible. Motion carried.

Meeting adjourned at 3:25 p.m.

Respectively submitted,



Albert W. Adams
Secretary/Treasurer

POTENTIAL FOR EXPANSION OF POULTRY INDUSTRY IN KANSAS

Background Information
for
Legislative Hearing on Changes in Corporate Farm Law
by
Albert W. Adams, Extension Specialist, Poultry Science
Kansas State University

I. Decline in poultry production in Kansas during period of 1945-1985:*

| | <u>1945</u> | <u>Numbers raised</u> | <u>1985</u> |
|-----------------|-------------|-----------------------|-------------|
| | | <u>1960</u> | |
| Layers on farms | 14,095,000 | 6,572,000 | 1,900,000 |
| Broilers | 1,081,000 | 1,891,000 | None |
| Turkeys | 861,000 | 865,000 | 100,000 |

II. Changes in poultry production during same period in neighboring states of:

Arkansas:

| | | | |
|----------|-----------|------------|-------------|
| Layers | 6,159,000 | 4,668,000 | 15,204,000 |
| Broilers | 3,308,000 | 31,750,000 | 760,000,000 |
| Turkeys | 158,000 | 2,132,000 | 16,000,000 |

Missouri:

| | | | |
|----------|------------|------------|------------|
| Layers | 19,000,000 | 8,800,000 | 5,700,000 |
| Broilers | 3,300,000 | 31,700,000 | ** |
| Turkeys | 1,800,000 | 4,300,000 | 12,500,000 |

Nebraska:

| | | | |
|----------|------------|-----------|-----------|
| Layers | 12,600,000 | 8,900,000 | 3,600,000 |
| Broilers | 890,000 | 2,200,000 | 885,000 |
| Turkeys | 1,000,000 | 1,100,000 | 850,000 |

Oklahoma:

| | | | |
|----------|------------|-----------|------------|
| Layers | 10,100,000 | 3,300,000 | 3,700,000 |
| Broilers | 1,000,000 | 7,700,000 | 61,700,000 |
| Turkeys | 686,000 | 1,300,000 | ** |

*Source - USDA Publications.

**Data combined with other states to avoid revealing individual units.

III. Current number of poultry processing plants in Kansas and neighboring states:

| | <u>Broiler</u> | <u>Turkey</u> |
|----------|----------------|---------------|
| Arkansas | 28 | 4 |
| Missouri | 7 | 3 |
| Oklahoma | 2 | 0 |
| Nebraska | 0 | 1 |
| Kansas | 0 | 0 |

IV. Current and potential future status of the poultry industry in Kansas.

A. Commercial egg production:

Egg production is the primary poultry enterprise in Kansas. Unit size varies from 10,000 to 170,000-hen capacity at one location. Most egg production is on contract which requires the farmer to supply the building(s), equipment, labor, and utilities and the contractor, usually the marketing agency, to supply the ready-to-lay pullet, feed, medication, market, and supervision. Five individuals or firms control the production of most of the eggs in Kansas with one firm controlling approximately 50% of the hen capacity in the state.

Currently Kansas has 1.9 million layers which produce 39,333,000 dozens of eggs with an estimated value of \$19,667,000. Estimated income from feed sales is \$11,970,000 and from other inputs \$6,445,000 for a total gross income of \$38,082,000. These 1.9 million layers consume 171,000,000 lb. of feed from dayold to the end of their productive life. Based on a cereal grain content of 62% and a soybean meal (44%) content of 16%, this feed volume represents 106,020,000 lb. or 1,893,000 bushels of cereal grain and 30,780,000 lb. of soybean meal which is equivalent to 38,962,000 lb. of raw soybeans or 649,367 bushels. Based on average yields per acres of 125, 51, and 20, respectively, for corn, sorghum grain, and soybeans, these volumes represent the yields from 15,144 acres of corn or 37,118 acres of sorghum grain, and 32,468 acres of soybeans.

Kansas is an egg deficit state producing less eggs than its people consume. Based on a per capita consumption of 255 eggs, Kansas needs to produce 57,375,000 dozens to be self-sufficient, but it only produces 39,333,000 dozens. The deficit of 18,042,000 dozens eggs represents the production from 873,000 hens which represents potential additional income of \$9,021,000 from egg sales, \$5,499,000 from feed sales, and \$2,958,000 income from other production inputs; a total of \$17,478,000.

Put in a different context, every 100,000 increase in layers in Kansas would translate into an estimated increase demand for 99,643 bushels of cereal grain which equals 797 additional acres of corn or 1,954 acres of sorghum grain, and 30,383 bushels of soybeans which equals the yield from 1,519 acres. Additional gross income generated would be approximately \$20 per hen or \$2,000,000.

Major supporting businesses associated with the current egg production industry are four started pullet firms, four shell egg processing plants, and two hatcheries. No estimates has been made of their economic impact.

B. Turkey production industry:

Currently the Kansas turkey industry consists of a large turkey hatchery which hatches over 2 million poult per year, three turkey breeder farms with a capacity of 49,000 breeders. These breeders supply hatching eggs for the hatchery in Kansas, a hatchery in Colorado, and a hatchery in Missouri, and several growers who grow approximately 100,000 market turkeys per year. Most of the poults hatched in Kansas are exported to Arkansas, Missouri, Minnesota, and Nebraska for growout.

Loss of turkey processing facilities at Hesston, Wichita, Parson, and McPherson in the 60's was a crippling blow to the Kansas turkey industry. Current production must be processed in plants located in Nebraska, Missouri, and Arkansas. This places growers in Kansas at a disadvantage because of transportation costs, shrinkage, lack of financing, and lack of volume.

Kansas is also a turkey meat deficit state producing less turkey meat than its people consume. Base on a per capita consumption of 11.5 lb., Kansans consume 31,050,000 lb RTC turkey or 38,813,000 lb. live weight equivalent which is equal to 1,848,000 head of straightrun turkeys. Thus 1,748,000 additional straightrun turkeys would need to be grown in Kansas to make the state self-sufficient in the production of turkey meat. An increase in production of 1,748,000 turkeys represents potential additional income of \$18,354,000 from sale of birds, \$9,789,000 from sale of feed, and \$4,195,000 from sale of other inputs; a total of \$32,338,000. This figure doesn't include the estimated income from supporting industries such as breeders, a hatchery, etc.

The 100,000 straightrun turkeys presently grown in Kansas would: 1). consume 5,100,000 lb. of cereal grain which is equivalent to 91,061 bushels of corn or sorghum grain; the production from 729 and 1,786 acres of corn and milo, respectively; and 2). 1,800,000 lb. of soybean meal which is equivalent to 37,967 bushels of soybeans which represent the production from 1,898 acres. Gross income generated by this volume is approximately \$1,050,000 from sale of live birds, \$560,000 from sale of feed, and \$240,000 from other inputs for a total of \$1,850,000 (\$18.50 per bird).

C. Commercial broiler industry:

Presently there are no commercial broilers produced in Kansas. In contrast, Arkansas is the leading broiler producing state in the U.S. The broiler industry is highly vertically integrated and lends itself to the concentration of production and processing in a limited geographical area.

Most broilers are grown on contract with the farmer furnishing the buildings, equipment, labor, and utilities and the contractor, usually the processor, furnishing the chicks, feed, medication, service, and the market. A family unit (one full-time equivalent) with a 21,000-bird capacity unit could raise 5.5 broods or 113,900 birds per year. Based on current grower contracts, the net labor and management income, until the building and equipment indebtedness was paid, to the grower would be approximately \$5,299.

Every 100,000 broilers grown in Kansas would translate into an estimated 798,000 lb. of total feed which represents 7,125 bushels of either corn or milo - the equivalent of 57 acres of corn or 140 acres of milo, and 6,400 bushels of soybeans which represent the yield from 320 acres. Each 100,000 broilers would generate an estimated income of \$126,840 from sale of birds, \$63,840 from sale of feed, and \$27,360 from other inputs for a total of \$218,040 per 100,000 broilers grown or \$2.18 per bird.

Obviously Kansas is a broiler meat deficit state since no commercial broilers are produced in the state. Based on per capita consumption of 55.5 lb. RTC, Kansans consume approximately 149,850,000 lb. of RTC broilers or 199,800,000 lb. live weight equivalent. This translates into 47,571,000 live birds. This volume of birds would generate an estimated \$60,415,000 from sale of birds, \$30,445,000 from sale of feed, and \$13,048,000 from other inputs; a total of \$103,908,000 or \$2.18 per live bird marketed.

IV. Summary:

Although the values shown here are approximate, they do illustrate that commercial production of eggs, and chicken and turkey meat is big business. It would be dreaming to think that Kansas could ever reach the situation where she is self-sufficient in the production and processing of these three poultry commodities. However, as the data show, sizeable increases in the production of any of these commodities would have a major impact on the economy of Kansas.

Suggested advantages for location of additional poultry production and processing facilities in Kansas are availability of a high labor force, a favorable climate, nearness to sources of major feed ingredients, and less danger of disease because of low concentration of poultry. Suggested disadvantages are laws which discourage corporate ownership of facilities for raising poultry and producing eggs, distance to major population centers, reluctance of financial institutions to finance "feathers", lack of processing facilities, and a general negative attitude toward "feathers."

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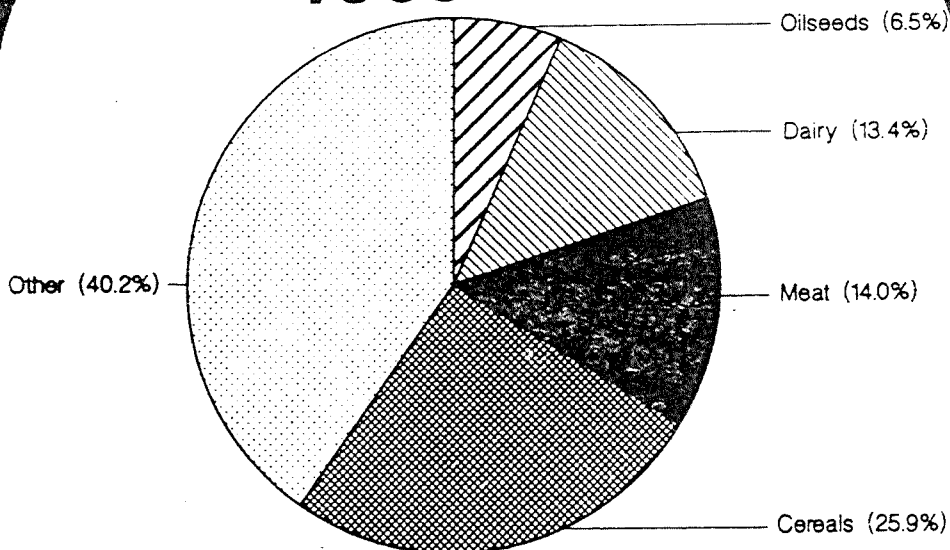
The Newspaper for Stockmen

A Crow Publication

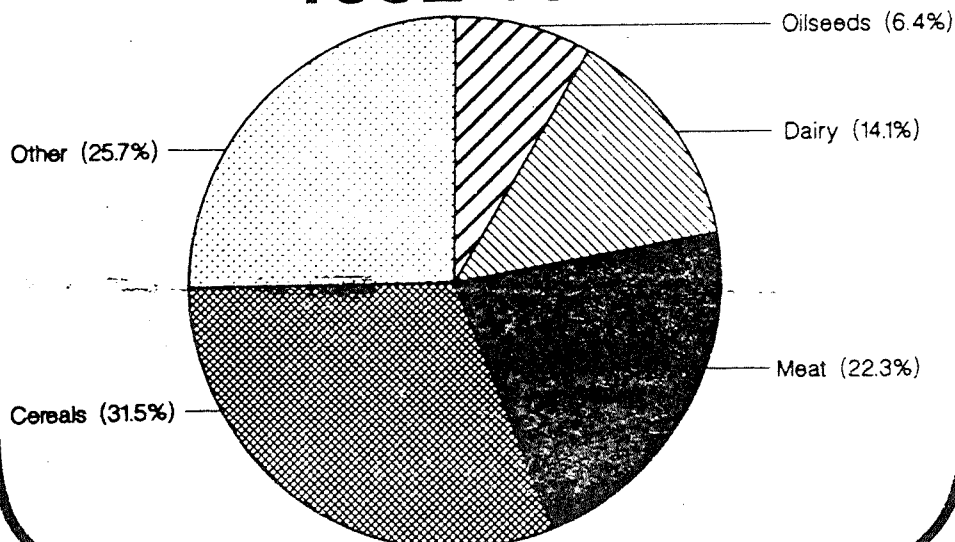


Commodity Imports as a Percentage of Agricultural Imports

1969-1971



1982-1984



Source: USDA

Attachment 15
02/02/87

Man tends to follow the lines of least resistance to satisfy his desires. He will stoop for the property of others if the government encourages him, and will stoop for power over the lives of others if the government grants him that special privilege. Remove these appeals to man's avarice and, having nothing to stoop for, he will stand upright.

Leonard E. Read
1898 — 1983

pad
Attachment 16
02/02/87

THE COMMITTEE FOR ECONOMIC DEVELOPMENT'S
BLUEPRINT FOR AGRICULTURE

The Committee for Economic Development is composed of 200 leading U.S. businessmen and educators who delegated themselves to play God over rural America. (See reverse side for a partial listing.) Judge for yourself if the U.S. government and Department of Agriculture have followed their blueprint.

The "Problem"

"We have noted that agriculture's chief need is a reduction of the number of people in agriculture." (page 29)

"Although the exodus from agriculture in the past decade or longer has been large by almost any standards, it has not been large enough." (page 19)

"The suggestions we are making attack the farm problem at its root: the use in farm production of too many people, and possibly too much capital." (page 60)

The CED's Solution

"THE CHOICES BEFORE US: a) leakproof control of farm production, or b) a program, such as we are recommending here, to induce excess resources (people primarily) to move rapidly out of agriculture." (page 25)

"New resources, especially people, should be discouraged from entering agriculture...." (page 44)

"Education: Here, in our opinion is a main key to agricultural adjustment: we have an opportunity to secure long-lasting relief from the overburden of people pressing upon farm income by getting a large number of people out of agriculture before they are committed to it as a career." (page 34)

"We recommend that retrained farm workers leaving farming should be assisted in moving to nonfarm work sites....in excess of, say, 50 miles [from home]." (page 39)

"It is the very heart of the farm problem that a massive adjustment needs to be made in the human resources committed to agricultural production. Small adjustments in the farm labor force will not suffice.

"What we have in mind in our program is a reduction of the farm labor force on the order of one third in a period of not more than five years." (page 59)

Can anyone deny this heinous program is being enacted today with all its accompanying misery, heartache, and economic and social turmoil? Why do our leaders fail to speak out against this abominable genocide being deliberately perpetrated upon rural America? --Stephen Anderson

Anderson
& Harwood

Are farmers allowed to chart the future of these businesses?

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Chairman, Finance Committee
Ford Motor Company

J. D. ZELI ERBACH, Chrm. of Board
Crown Zellerbach Corp.

1. Voted to approve the policy statement but submitted memoranda of comment, reservation or dissent, or wished to be associated with memoranda of others.
2. Voted to disapprove this statement.
3. Did not participate in the voting on this statement because of absence from the country.

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Valley National Bank

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