

Approved March 5, 1991
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Representative Diane Gjerstad at
Chairperson

3:35 ~~am~~/p.m. on February 13, 1991 in room 423-S of the Capitol.

All members were present except:

Representatives Bishop, Dean, Edlund, Wagnon and Wisdom. Excused

Committee staff present:

Lynne Holt, Research
Betty Manning, Secretary

Conferees appearing before the committee:

Gary Hall, Acting Secretary, State Board of Agriculture
Eldon Fastrup, Director, Division of Marketing

Chairperson Gjerstad called the meeting to order at 3:35 p.m. in the board room of the State Board of Agriculture. The Chair welcomed Gary Hall, Acting Secretary, and thanked he and his staff for inviting the committee to meet in their offices.

Secretary Hall welcomed the Chair and committee. He acknowledged that it was the first time the economic development committee had met with the board of agriculture. He stated the board of agriculture is a regulatory agency enforcing 65+ laws dealing with consumer and environmental protection. They have approximately 325 employees operating with a \$16.5 million budget.

Secretary Hall introduced the president of the board, Jay Armstrong and the assistant secretary, Don Jacka.

Additional comments by Mr. Hall indicated Kansas, although primarily a wheat state, has a total economic impact over \$13 billion from wheat, corn, grain sorghum, soybeans, cattle, calves and pork. A critical factor is further developing the value added segment. The state board of agriculture works closely with the Kansas Value-Added Center at Kansas State University to transfer technology to value-added manufacturers. The board of agriculture also participates in consumer protection to keep consumers confident in the products made in Kansas.

Mr. Hall then introduced the department heads of the seven regulatory divisions in the board of agriculture and briefly outlined their functions. The division of laboratories ensures purity in meat, milk and feeds through analytical testing. The division of inspections deals with the weights and measures and the enforcement of the petroleum measurements for quality and quantity. The division of plant health assures us of clean environment - this is what businesses look at when they are thinking of locating in the state. The division of water resources is critical to agriculture and also to the maintenance and growth of communities. The division of statistics deals with facts and figures which banks, investment firms and realtors look to for data. The division of marketing, Eldon Fastrup, director, is involved in domestic and international marketing. This division provides a series of services to existing and new companies dealing with agricultural commodities and/or processed food products.

Mr. Fastrup provided a handout of the marketing program functions, Attachment 1. Mr. Fastrup also showed a video, "The Land of Kansas", an overview of the domestic and international programs of the state board of agriculture for the promotion of Kansas foods and their production.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT,
room 423-S Statehouse, at 3:35 ~~am~~/p.m. on February 13, 1991

Mr. Hall and Mr. Fastrup responded to questions from the committee. They both emphasized the fact that the 1990's should be an exciting time for opportunities and challenges for international development. Kansas is expecting trade agreements opening up with Canada and Mexico. At the present time, Japan is now using more exported beef and other processed food products than any other country. Kansas is fourth in the nation in exports.

The state board of agriculture anticipates trade barriers will be reduced in the 1990's and are anticipating a free trade agreement with Mexico this year. Kansas already has a livestock exchange program with Mexico and plans a major food show in Mexico City very soon. Mr. Hall emphasized the importance of maintaining efficiency and building strong foundation with the department of commerce.

The meeting was adjourned at 4:35 p.m.

**Kansas
State
Board
Of
Agriculture**



Marketing Division

*Eco-Devo
Attachment #1
02-13-91*

As the state's number one industry, agriculture contributes some 6 billion dollars annually to the growth of the Kansas economy. Playing a vital role in that growth is the promotion of Kansas products. The mission of the Kansas State Board of Agriculture's **Marketing Division** is to provide for the most advantageous marketing of the agricultural products of Kansas.

Marketing Division

A primary goal of the Marketing Division is to make potential buyers and consumers aware of Kansas products. Each of the sections of the Marketing Division

- * Development
- * Domestic Marketing
- * International Marketing
- * Commodity Commissions
- * Non-Food Utilization

provide programs, services, and staff to achieve this goal.

Marketing Division

Director
Eldon Fastrup

Secretary II
Lari Westerfield

Assistant Director
Terry Denker

* Office Assistant III (* also serves as agency receptionist)
Sheryl Ratcliff

Administrative Officer I
Sharon Henson

Commodities

Coordinator
Galen Swenson

Office Assistant IV
Margaret Thompson

Domestic

Coordinator
Charlene Patton

Marketing Specialist III
Rodney Ferguson

Marketing Specialist II
Hayley Matson

Office Assistant IV
Teresa Booher

International

Specialist
Jerry Dudley

Development

Coordinator
Ken Boughton

Marketing Specialist III
Loreen McMillan

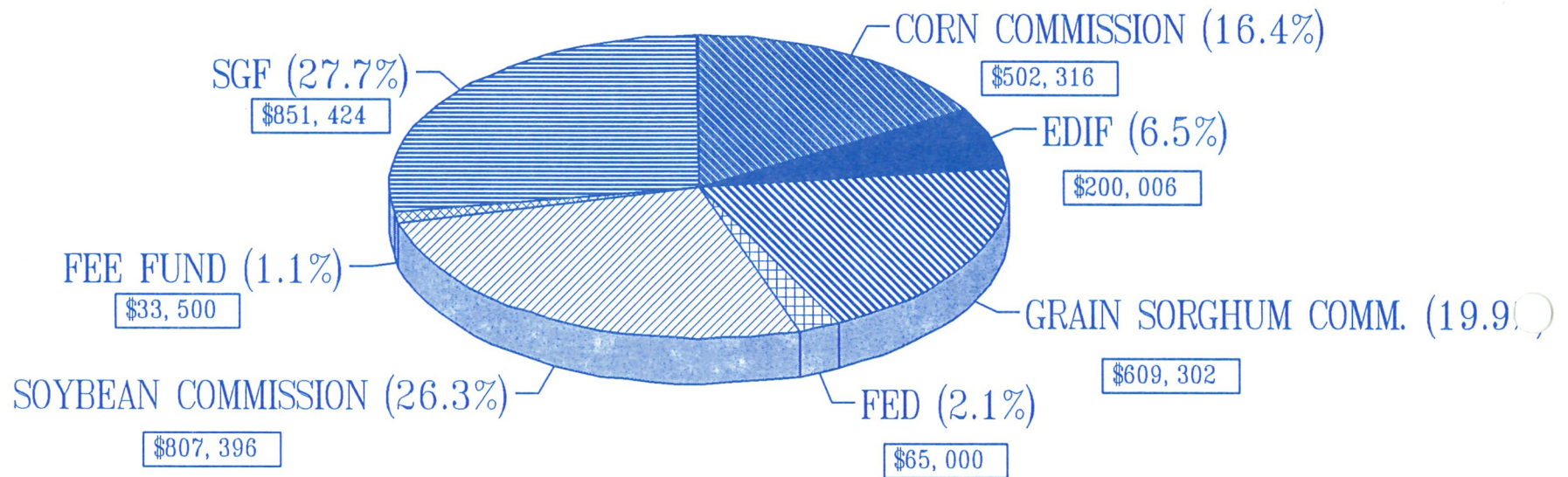
Office Assistant IV
Georgann Smith

Non-Food Use

Coordinator
Ray Burns

7-1

Marketing Division FY 1991 Funding Sources



Commodity Commissions

Program Purpose:

To develop and expand markets for Kansas-produced corn, grain sorghum, and soybeans, as established in K.S.A. 2-3001.

Duties of Commissions:

Recommending program to the Secretary of Agriculture regarding marketing, campaigns of development, education and publicity for its commodity and derived products.

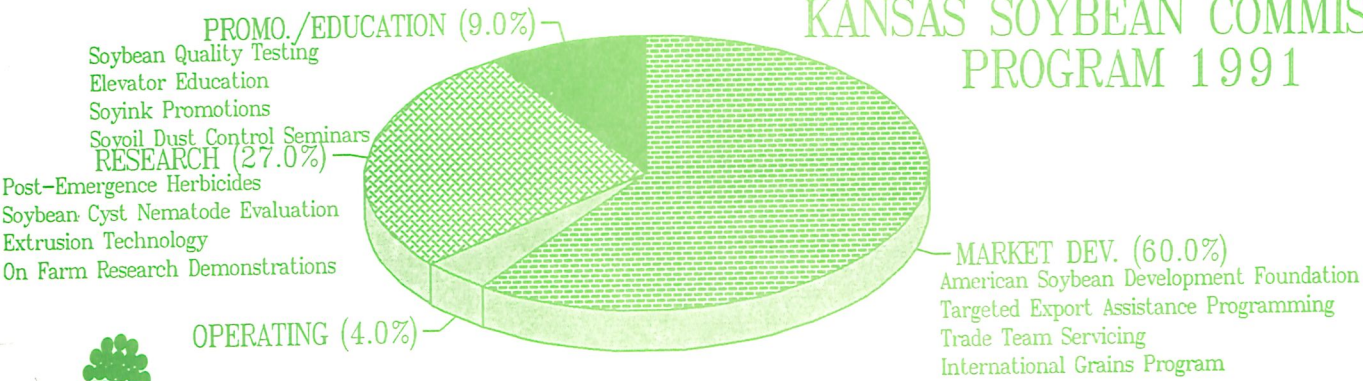
Authority to recommend projects and to cooperated with Kansas State University and other state, national, or international organizations in related research and market development

Objectives of Commissions:

To cooperate programming with twelve corn commission states, twenty-five soybean commission states, and two grain sorghum states, providing a uniform and collective development plan.

To assist foreign buyers of Kansas feedgrains and soybeans aimed at increasing purchasing to increase U.S./Kansas sales opportunities in Domestic/Foreign markets.

KANSAS SOYBEAN COMMISSION PROGRAM 1991



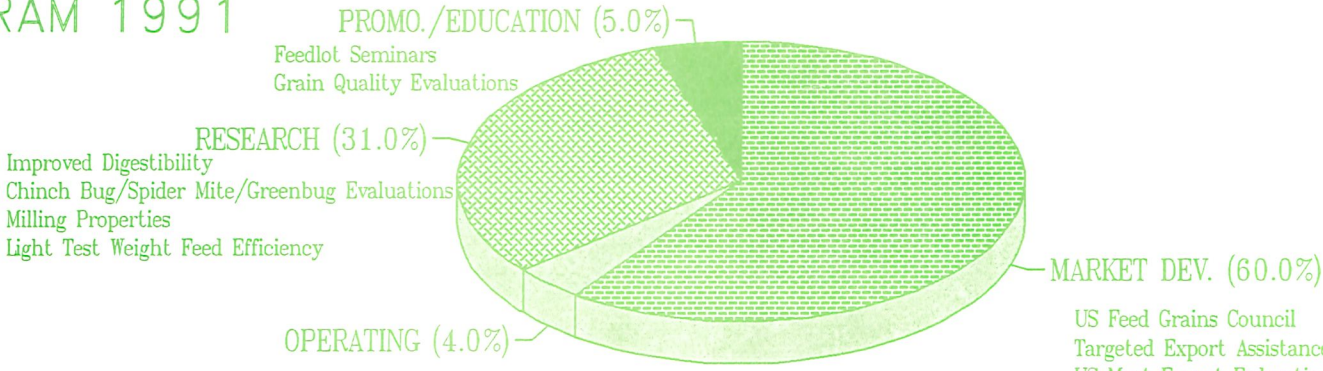
MARKET DEV. (60.0%)
 American Soybean Development Foundation
 Targeted Export Assistance Programming
 Trade Team Servicing
 International Grains Program



KANSAS
**GRAIN
 SORGHUM
 COMMISSION**

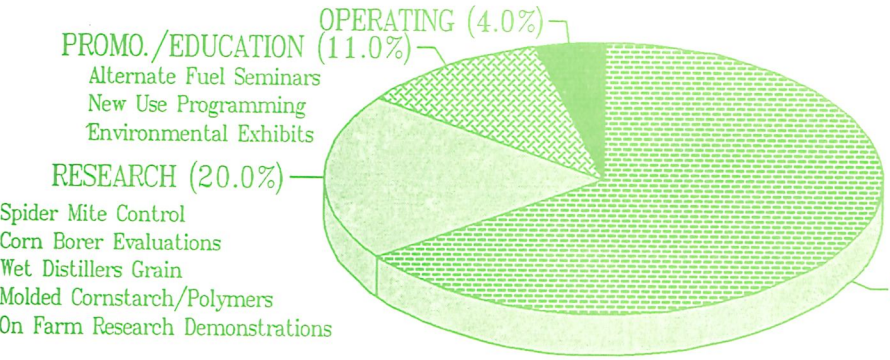
KANSAS GRAIN SORGHUM COMMISSION PROGRAM 1991

SEVEN MEMBERS, APPOINTED BY THE GOVERNOR
 ASSESSMENT, 20 MILLS(2 CENTS) PER BUSHEL



MARKET DEV. (60.0%)
 US Feed Grains Council
 Targeted Export Assistance Programming
 US Meat Export Federation
 US Grain Sorghum Federation
 International Grains Program
 Trade Team Servicing

NINE MEMBERS, APPOINTED BY GOVERNOR
 ASSESSMENT, 3 MILLS PER BUSHEL



MARKET DEV. (65.0%)
 US Feed Grains Council
 Targeted Export Assistance Programming
 US Meat Export Federation
 National Corn Development Foundation
 International Grains Program
 Trade Team Servicing

KANSAS CORN COMMISSION PROGRAM 1991



NINE MEMBERS, APPOINTED BY THE GOVERNOR
 ASSESSMENT, FIVE MILLS(1/2 CENT) PER BUSHEL

Domestic Marketing

Creating promotional programs to increase visibility and sales of Kansas products is the purpose of the Domestic Section. Programs are designed to provide assistance to producers, food processors, retailers, and consumers of the state's products. Diversified year-round promotional campaigns include:

- * "FROM THE LAND OF KANSAS"
- a registered trademark for Kansas foods
- * "Celebrate! Kansas Food"
- a retail promotion for grocers and specialty shops
- * "Savor Food From the Land of Kansas"
- a commercial and non-commercial food service program
- * Targeted publications for buyers and consumers
- * Trade shows - in-state, regionally and nationally
- * Weekly radio and television programs
- * Food editor campaigns for daily and weekly newspapers
- * Consumer contests and special events

The section serves as a consumer information resource and provides materials to extension and chamber of commerce offices, various organizations, and others interested in developing promotions for Kansas products.

International Marketing

The International Marketing program provides professional services and programs to develop and expand foreign markets for agricultural commodities, livestock and livestock products, and processed foods produced in Kansas.

To help introduce Kansas products and livestock to overseas markets, this section conducts trade missions to other countries and hosts foreign buying teams.

The *Agricultural Products Export Directory*, published by the section, lists companies interested in international trade. Also available are listings of importers which provide products, suppliers, and country of origin.

The International Section:

- * Conducts country analyses to identify priority markets.
- * Generates and distributes trade leads to in-state suppliers.
- * Coordinates programs to assist Kansas firms participating in international exhibitions.
- * Provides fax and telex communication services to Kansas exporting companies

This section also provides information on shipping of products, health regulations, payment terms, and other required documentation.

Development

Discovering opportunities for Kansas agricultural commodities, developing strategies for implementation and success, and yielding results for Kansas people and business are goals of the Development Section. This section's programs are designed to enhance the state's economic base in the areas of production, processing, marketing, and consumption.

The Development Section provides specific and targeted assistance in the areas of:

- * marketing strategies
- * food processing
- * quality improvement
- * grading
- * marketing efficiency
- * problem solving
- * supply sourcing
- packaging, equipment, ingredients

The section provides information to Kansas producers and consumers through publications and media releases such as:

- * Christmas Tree Growers Directory
- * Farmer's Market Listing
- * Fish Producers Directory
- * Hay Directory
- * Livestock Market News
- * and various research study reports

Non-Food Utilization

This program develops cooperative projects among processors and distributors, state and federal government, the academic community, and the farm community in activities to move research discoveries toward commercial production by the private sector.

Program actions include:

- * Initiates cooperative agreements between the Kansas State Board of Agriculture and private industry to develop strategies for value-added opportunity in alternative crops and non-food uses.
- * Conducts feasibility appraisals for poultry processing, canola production grower base, crambe product utilization, and oil seed processing facility studies and end product demand analysis.
- * Organizes and sponsors regional and national seminars and conferences designed to identify and distribute the most current commercialization of non-food use potentials.

The focus to enhance commercialization of industrial products from agricultural raw materials offers numerous opportunities to expand markets for agricultural products and diversify American agriculture.

MARKETING DIVISION
 Summary of Activities
 July, 1989 - June, 1990
 Fiscal Year 1990

	<u>International</u>	<u>Domestic</u>	<u>Development</u>	<u>Commodity Commissions</u>	<u>TOTALS</u>
Foreign Teams	13			13	26
International Exhibitions	2				2
Foreign Trade Missions	3			2	5
Presentations, Seminars, & Short Courses	2		13	13	28
Research Projects				30	30
Foreign Market Development				7	7
In-State Exhibitions		5			5
Out-of-State Exhibitions		5			5
Special Domestic Market		24			24
Media Promotions		91			91
Development Projects			13		13
Consultive Services			49		49
Reports & Directories	1	4	8		13

MARKETING DIVISION

Summary of Activities Results

July, 1990 - December, 1990

First Half FY 1991

	<u>International</u>	<u>Domestic</u>	<u>Development</u>	<u>Commodity Commissions</u>	<u>TOTALS</u>
Foreign Teams	2			6	8
International Exhibitions	2				2
Foreign Trade Missions	2			1	3
Presentations, Seminars, & Short Courses	1		1	8	10
Research Projects				38	38
Foreign Market Development				7	7
In-State Exhibitions		2			2
Out-of-State Exhibitions		3			3
Special Domestic Market		21			21
Media Promotions		43			43
Development Projects			12		12
Consultive Services			89		89
Reports & Directories	1	2	1	5	9

MARKETING DIVISION

Summary of Activities Results

July, 1989 - June, 1990

Fiscal Year 1990

	<u>International</u>	<u>Domestic</u>	<u>Development</u>	<u>TOTALS</u>
New Sales	\$ 1,409,000	1,618,940		\$ 3,027,940
Projected New Sales	128,000	335,650		\$ 463,650
Procurement Mission Purchases	2,360,000			\$ 2,360,000
Media Value		176,794		\$ 176,794
Economic Impact			4,478,000	\$ 4,478,000

MARKETING DIVISION

Summary of Activities Results

July, 1990 - December, 1990

First Half FY 1991

	<u>International</u>	<u>Domestic</u>	<u>Development</u>	<u>TOTALS</u>
New Sales	\$ 218,000	75,050		\$ 293,050
Projected New Sales	5,156,300	150,000		\$ 5,306,300
Procurement Mission Purchases	11,900,000			\$ 11,900,000
Media Value		43,230		\$ 43,230
Economic Impact			172,000	\$ 172,000