

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on January 23, 2002, in Room 423-S of the Capitol.

All members were present except: Representative Miller - excused
Representative O'Brien - excused
Representative Thimesch - excused

Committee staff present: Raney Gilliland, Legislative Research
Gordon Self, Revisor of Statutes
Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Connie Fischer, Director, Agriculture Products Development Division, Department of Commerce & Housing

George Teagarden, Livestock Commissioner, Animal Health Department

Others attending: See attached list

Connie Fischer, Director, Agriculture Products Development Division, Department of Commerce & Housing, presented the division's Fiscal Year 2001 Annual Report. She discussed the division's various programs to help improve the economic conditions of Kansas agriculture producers while boosting the prosperity of rural communities through the Agricultural Value Added Center, the *From the Land of Kansas* trademark program, International Trade Development, and Domestic Marketing programs. (Attachment 1)

George Teagarden, Livestock Commissioner, Animal Health Department, requested introduction of a committee bill to amend the state emergency plan relating to contagious and infectious domestic animal diseases as it concerns payment by county commissions. His proposal would remove county commissions from the statute and provide payment by the State of Kansas unless all or part can be paid for by the federal government. Representative Freeborn moved to introduce this request as a committee bill. Seconded by Representative Hayzlett, the motion carried.

Action on HB 2602 - County discount program to control noxious weeds.

Raney Gilliland explained that **HB 2602** is identical to **HB 2468** which passed the House last session, but was gutted in the Senate. The bill would require a board of county commissioners to establish a program to provide chemical materials used in the control and eradication of noxious weeds to landowners through chemical dealers on a discount basis. The bill provides that a board of county commissioners may adopt a resolution to opt out of this program. A petition provision calling for an election to reinstate the program is, also, set forth in the bill.

Doug Wareham, Kansas Agribusiness Retailers Association and Kansas Grain and Feed Association, indicated they still support this bill.

Representative Dahl moved to recommend **HB 2602** favorable for passage. Seconded by Representative Schwartz, the motion carried.

The meeting adjourned at 4:40 p.m. The next meeting is scheduled for January 28.

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: January 23, 2002

NAME	REPRESENTING
Nicole Fisher	
Connie Fisher	KDOC & H - Ag.
Roy Hemmel	KDOC - Ag
MELEESA YOUNG (KREN)	" "
Janna Dunbar	" "
Beth Riffel	Grass & Grain
Don Pugh	Kansas Farmer Union
Paul Johnson	FAK
Keri Ebert	KS Dairy Association
Matt Bertholt	Kansas Coop Council
Doug Wareham	KGFA & KARIA
Bill Sprigel	Kansas Farmer magazine
Tom Bruno	Farm Credit Council
Janet McPherson	KS Farm Bureau
George Teagarden	KAHP
FRED SCHWIEN	KDOC & H

HOUSE AGRICULTURE COMMITTEE

JANUARY 23, 2002

Presented by:
Connie Fischer, Director



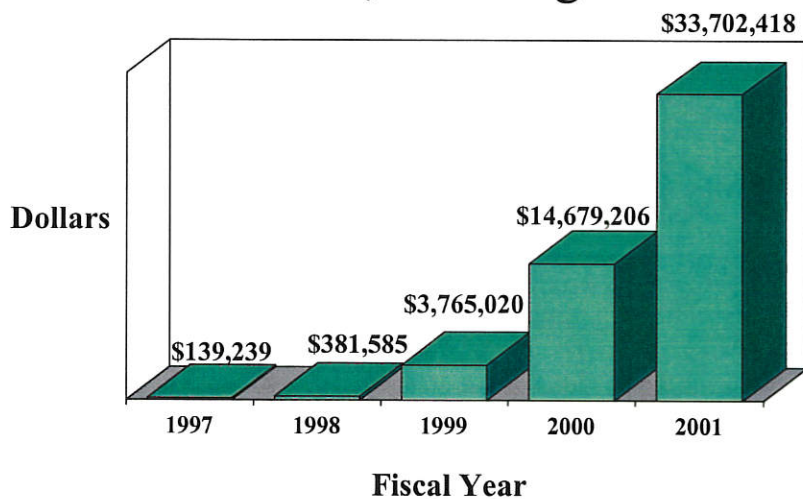
KANSAS DEPARTMENT
of COMMERCE & HOUSING
AGRICULTURE PRODUCTS DEVELOP

House Agriculture Committee
January 23, 2002
Attachment 1

Agriculture Products Development Division

- The mission of the Division is to “help improve the economic conditions of Kansas agriculture producers while boosting the prosperity of rural communities.”
- In FY 2001 the Division had 9.5 FTE.
- The FY 2001 Division budget was \$1,419,252.

Agriculture Products Development Division Client Sales, Patronage & Premiums



Value-Enhanced Marketing of Hard Red Winter Wheat to Mexico

- Joint project with the 21st Century Alliance, KSU Grain Science Division, and the Kansas Wheat Commission
- Project Mission: To assess the feasibility of marketing IP wheat from KS producers to the Mexican flour milling industry by evaluating the origination, transportation, milling and baking performance of this system
- Shipped approx. 95,000 bushels of IP wheat from 3 locations in southwest Kansas to Grupo Trimex in Mexico City



*Loading of IP wheat at
Harper Coop.*

Value-Enhanced Marketing of Hard Red Winter Wheat to Mexico, *Continued*

- Wheat was evaluated at the mill and bakery and compared to currently used wheat blend
- Result: Kansas IP wheat is a good substitute for Canadian wheat
- Future: Work on transportation issues, Kansas promotion and producer education



*Meeting with Flour Millers
Federation official in Mexico
City*

Small Scale Dairy Processing Feasibility Study

- USDA RBEG Grant \$29,270
- The study will investigate the potential for niche marketing of Kansas processed dairy products
- Issues to be addressed:
 - Customer buying preferences of branded dairy products (i.e., organic, all natural, grass fed)
 - Costs associated with converting from a conventional to an all-natural, grass-fed, or organic dairy production facility
 - Minimum size and scale of a dairy processing facility
 - Feasibility of used equipment in dairy processing
 - Feasibility of multi-line processing
 - Tourism opportunities

Trade Mission To Mexico

- KDOC&H sponsored the mission to Guadalajara and Monterrey.
- Joint project with KDOC&H Trade Development Division.
- Post mission sales total over \$600,000 for Kansas ag companies, plus numerous trade leads.
- Six Kansas companies participated in the mission, including 3 Kansas producer groups:
 - 21st Century Alliance
 - 21st Century Bean Processing Coop.
 - AgraMarke



21st Century Bean Processing Coop. and perspective buyer at mission reception.

FY 2001 Funded Projects

- The Division provided \$511,185 in financing for nine Kansas business groups in FY 2001.
- The Division provided \$74,600 to KSU.
- Through the matching portion of the Division loan program, \$1.96 million was leveraged on value-added ventures in FY 2001.
- In FY 2001, projects financed by the Division accounted for a minimum of:
 - 680,464 processed beef cattle
 - 322,967 bushels of soybeans
 - 85,195 pounds of wheat grass and barley grass
 - 11,783 bushels of wheat
 - 94 hogs
 - 292,890 pounds of wheat resin manufactured by Kansas suppliers

KSU Pilot Plants

- KSU Food Science Pilot Plant received a \$70,000 grant.
- KSU Meat Pilot Plant received \$2,500 in addition to utilizing \$17,500 in carryover funds from FY2000.
- The plants provided technical assistance on 1,515 separate occasions, saving Kansas companies a minimum of \$408,366.



KSU Food Science Pilot Plant

Kansas Wheat Research Center Optimizing White Wheat Performance

- The Division provided a \$2,100 grant to determine the optimum blend of hard white wheat seed varieties to maximize field production, milling and baking performance.
- Results of the project indicate that increased grain yield and grain protein content can be achieved by blending of varieties Betty and Trego.



Valley Vegetables Cooperative

- The Division provided a \$60,000 equipment loan.
- This was in addition to the previously committed \$90,000 loan in FY00 and a \$20,000 KEOIF grant from the Business Development Division.
- Total project cost is \$3.2 million.
- The Coop. will start processing sweet corn in the summer of 2002.



Meeting with Valley Vegetable producers and KDOC&H Agriculture, Business Development, and Community Development staff

Kiowa Locker Systems Kiowa, Kansas

- The Division provided a \$40,000 commercialization/market development loan.
- The facility became a federally inspected plant in the 4th quarter of 2001.
- In addition to slaughtering, the company processes and markets snack sticks to the fundraising and convenience store market, under the Chieftain Brand Meats logo.



21st Century Alliance Tauy Creek Dairy

- The Division provided a \$30,000 bridge loan to facilitate the development of a closed cooperative dairy business.
- The financing provided assistance for the accounting and engineering work needed to develop the prospectus.



Yoder Meats Yoder, Kansas

- The Division provided an \$87,185 commercialization loan for the expansion of the retail meat operation.
- The new facility not only expanded the ability to market local meat products, but includes a Kansas gift shop featuring many *From The Land of Kansas* items.



*Yoder Meats/Kansas Station
Retail Facility*

CVR Manufacturing Galesburg, Kansas

- The Division provided a \$100,000 loan for the development of a biodegradable container manufactured from agricultural products.
- The project is projected to utilize 350,000 lbs of grain and 150,000 lbs of agricultural fiber in the first year of production.
- The company will focus on protein tubs for the feed industry and horticulture pots.



*Tomato plants potted with
CVR pot.*

Ethanol Feasibility Studies

- The Division provided loans to two groups in FY01, allowing them to conduct full-scale ethanol feasibility studies:
 - Nesika Energy, Scandia, Kansas
\$15,500
 - Central Kansas Renewable Fuels, McPherson, Kansas
\$13,500



Kansas producers visit an ethanol facility in Nebraska.

American White Wheat Producers Association

- The Division provided a \$75,000 loan to assist the association in conducting a feasibility study, developing a business plan, and establishing a partnership with a retail chain of artisan bakeries.
- The loan was matched by \$111,000 AWWPA funds and a \$499,997 USDA grant.



Newhouse Dairy Processing Wellsville, Kansas

- The Division provided a \$90,000 commercialization/marketing loan for the development of a small-scale dairy processing facility.
- The facility will be an on-farm processing & retail facility, which will add value to the 100-head dairy operation.



Will Newhouse and daughter

Mid-American International Agriculture Trade Council

- The Division assisted four Kansas companies in obtaining \$226,015 in grant money from MIATCO.
- The grant dollars match company contributions and are utilized in international market development.
- The following companies received funding:
 - Natural Life Pet Products, Frontenac - \$125,000
 - Original Juan Specialty Foods, Inc., Kansas City - \$6,000
 - Pines International, Lawrence - \$85,015
 - Twin Valley Products, Greenleaf - \$10,000

From The Land of Kansas Program

- Program participation has remained level at 653 Kansas companies participating.
- The Division provides technical business services to FLOK companies.
- FLOK companies may utilize the Business Enhancement Grant Program or the Tradeshow Assistance Program.



*Buy Kansas First
Buyers Reception*

From The Land of Kansas Program

- Twelve FLOK clients received \$3,000 in Trade Show Assistance in FY01. These clients generated \$50,261 in sales from the respective trade shows.
- Companies Receiving Assistance:
 - Balloons by Little Bo-Tique, Topeka
 - Carey's Wheat Berries, Sterling
 - Central Supply, Inc., Great Bend
 - Chieftain Brand Meats, Kiowa
 - Elsie Grace's, Frankfort
 - Humble Beginnings, Hays
 - Kansas Konfections, Nickerson
 - Smoky Hill Bison Co., Lindsborg
 - The Friendly Company, Inc., Mount Hope
 - TJ's Soap & Stuff, Arkansas City
 - Unique Equine Jewelry, Andover
 - Wiedmann Farm Fresh Meats, Onaga

FY01 Value-Added Opportunities in Agriculture Conference

- The Division received a USDA RBEG grant to coordinate the conference.
- The conference was held on the campus of Fort Hays State University.
- Approx. 200 people attended the conference, which focused on business development, alternative agriculture opportunities, and specialized marketing.



Producers at the 2000 Value Added Conference.

Direct Meat Marketing Seminars

- In conjunction with the Kansas Dept. of Agriculture, the Division hosted two direct meat marketing seminars in FY01.
- Over 125 people attended the one-day seminars held in Hays and Seneca.
- The seminars featured speakers on such topics as business planning, marketing, regulation compliance and business assistance.



Wallace County producer, Chris Ann Grund, speaks about internet marketing.

FY 2002 Emphasis

- Direct Marketing Opportunities for Kansas Agricultural Producers
- Identity Preservation
- Ethanol/Renewable Fuels
- Specialty Crop Product Development/Marketing
- Agri-Tourism

Our Five Year Anniversary. Was It The Right Move?

- YES!!
- Proven results
- The focus on agriculture producers
- The collaboration with other KDOC&H divisions
- The collaboration with other state & federal agencies, producer groups, and industry

Agriculture Products Development Division

Introduction and Overview

The mission of the Agriculture Products Development Division is to “help improve the economic conditions of Kansas agriculture producers while boosting the prosperity of rural communities.” The Division accomplishes this by acting as a catalyst for agricultural economic development through the Agricultural Value Added Center (AVAC), the *From the Land of Kansas* trademark program, International Trade Development, and Domestic Marketing programs. These programs are facilitated throughout the state by the Topeka staff and a western Kansas field office in Hays.

The Division marked its fifth year of existence with many new accomplishments, while also building on past successes. Division client sales grew a remarkable 113 percent, to \$33,702,418 in FY01. The Division facilitated \$226,015 in export grants for four Kansas food companies through participation in the Mid-America International Agriculture Trade Council (MIATCO).

The Division was awarded two USDA Rural Business Enterprise grants totaling \$47,500. These grants will be used for the 2001 Value Added Conference and a feasibility study of small-scale dairy processing in the state.

The Division proceeded with the Value Enhanced Marketing of Hard Red Winter Wheat to Mexico project. The project, which is a partnership among the KDOC&H Agriculture Products Development Division, Grupo Trimex, 21st Century Alliance, Kansas State University, and the Kansas Wheat Commission, studied the efficiencies of a direct, identity-preserved marketing system.

In cooperation with the USDA Rural Development and the Kansas Cooperative Development Consortium, the Division sponsored the 3rd annual Value-Added Agriculture Conference in Hays, Kansas. The

conference featured keynote addresses from USDA Rural Development Undersecretary Jill Long-Thompson and Dennis Sexhus, CEO of the North American Bison Cooperative. Breakout session topics included: business, crops, livestock, and alternative agriculture. Over 200 participants attended the conference.

In FY01, the western Kansas field office was relocated from Garden City to the campus of Fort Hays State University, allowing for better communication among Division clients and staff. This strategically placed the western Kansas representative in a more central location with convenient access to the entire western sector of Kansas, as well as the Topeka office.

Division clients continue to enjoy the synergism created from heightened collaboration with the other KDOC&H divisions. Cooperating with the Trade Development Division, the Division hosted many joint activities, including the 2001 Mexican Trade Mission.

Kansas agribusinesses were able to utilize more than \$2.5 million in funds from other KDOC&H programs, such as Workforce Training, the Kansas Economic Opportunity Initiative Fund, Community Development Block Grants, and the Kansas Trade Show Assistance Program.

Domestic Marketing

Dairy Processing Study

Responding to the needs of small dairy processors, the Division applied for a USDA Rural Business and Enterprise Grant to study the feasibility of small-scale dairy processing in Kansas. The grant, which was awarded in late FY01, will investigate the potential for niche marketing of Kansas processed dairy products. The study will address issues of:

- Consumer buying preferences of farmer-branded, all-natural, grass-fed, and organic dairy products

- Costs associated with converting from a conventional to an all-natural, grass-fed, or organic dairy facility
- Minimum size and scale of a dairy processing facility
- Feasibility of used equipment in dairy processing
- Feasibility of multi-line processing (cheese, fluid milk, ice cream, etc.)
- Tourism opportunities

The study will give Kansas dairy producers the information they need to assess whether on-farm or group processing will be a feasible option for them. The study's anticipated completion date is FY02.

Technical Assistance

Market research was conducted for many individuals and companies. Valley Vegetable Cooperative received technical assistance in retail outlets, sales leads, and distribution channels for expected production. In addition, this company hopes to diversify its plant utilization by processing various vegetable produce, other than sweet corn, in the future.

Dry edible bean marketing was a subject of additional research requested by the 21st Century Dry Bean Cooperative. Contacts were made for southern regions of the United States and Mexico for the distribution of production from the Sharon Springs facility. Ron Meyers, manager of the Sharon Springs plant, utilized the information during the Mexican Trade Mission in late May.

Agricultural Value Added Center

The objective of the Agricultural Value Added Center (AVAC) is to provide technical and financial support for the creation and expansion of producer-based alliances and value-added businesses. The AVAC pursues this objective through the Foods & Feeds program, the Industrial Agriculture program, and the

Cooperative Development program. These programs utilize the expertise of their program managers to provide technical assistance to agricultural producers, businesses, trade associations, advocacy groups, and research groups. The Division provides financial assistance to these organizations through the use of bridge loans, commercialization and market development loans.

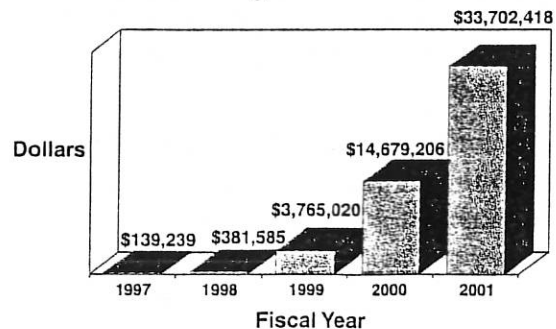
In FY01, the Division provided \$511,185 in the form of commercialization loans to nine Kansas business groups. In addition, the Division committed \$74,600 to Kansas State University to provide assistance through the pilot plant facilities and research through the Wheat Research Center.

The Division's ultimate goal is to help producers and value-added businesses grow and prosper. These value-added businesses not only utilize more Kansas commodities, but many are producer-owned and provide revenue back to the production agriculture sector.

In FY01, projects financed by the Agriculture Products Development Division processed 680,464 head of beef cattle, 322,967 bushels of soybeans, 85,195 pounds of wheat and barley grass, 11,783 bushels of wheat, 94 hogs, and utilized 292,890 pounds of wheat resin manufactured by Kansas suppliers.

The following graph illustrates how the Division has helped improve the sales of agriculture value-added companies. Sales in FY01 increased 113 percent compared to FY00.

**Agricultural Value Added
Center Client Sales,
Patronage & Premiums**



FY01 Agricultural Value Added Center Projects

KSU Food Science Pilot Plant: The Kansas State Food Science Pilot Plant received \$70,000 to help provide technical assistance including: food labeling, nutritional analysis, shelf-life testing, and product development to Kansas entrepreneurs and food companies. The KSU Food Science Pilot Plant provided technical assistance on 1,078 separate occasions to these clients, saving them a minimum of \$369,184 when compared to the costs of using a commercial laboratory.

KSU Meat Science Pilot Plant: The Kansas State Meat Extension Pilot Plant received \$2,500 to research and develop value-added products using all natural beef. As a result of this research, Kansas companies are producing and marketing 1,200 pounds of all natural beef hot dogs per week. The Meat Science Pilot Plant also used the remaining funds from a \$17,500 grant provided in FY00 to help provide technical assistance such as product labeling, nutritional analysis, shelf-life testing, and product development to Kansas entrepreneurs and meat processors. The pilot plant provided technical assistance on 437 separate occasions to these clients, saving them a minimum of \$39,182 when compared to the costs of using a commercial laboratory.

KSU Wheat Research Center: The KSU Wheat Research Center received \$2,100 to determine the optimum blend of hard white wheat seed varieties to maximize field production, milling yields, and baking characteristics.

Valley Vegetables Cooperative: The Division provided a \$60,000 commercialization loan to 35 producers who have formed the Valley Vegetables Cooperative. The cooperative will use the loan for the construction of a frozen vegetable processing facility in Scandia, Kansas. This loan is in addition to a previous \$90,000 loan from the Ag Division that became necessary when the total capital requirement for this project increased by \$700,000.

Kiowa Locker Systems: The Agriculture Products Development Division provided a \$40,000 commercialization loan to Kiowa Locker Systems to make the transition from a state-inspected to a USDA-inspected meat processing facility, as well as conduct market development activities.

Tauy Creek Dairy: The Division provided a \$30,000 bridge loan to facilitate the development of a closed cooperative dairy business. The financing provided assistance for the accounting and engineering fees needed to develop the prospectus for the project.

Yoder Meats: The Division provided an \$87,185 commercialization loan for the development of a retail meat expansion in Yoder, Kansas. The financing allowed the existing meat processor to construct a new retail facility featuring the beef and pork procured from local producers. The facility also includes a gift shop, *Kansas Station*, featuring products made in the state of Kansas.

CVR Manufacturing: A \$100,000 commercialization loan was provided to CVR Manufacturing for the development of a biodegradable container made from agricultural components. The business is projected to utilize 500,000 pounds of material, 350,000 pounds being various available grains, and 150,000 pounds of wheat straw in the first year. Opportunities may exist for up to 25,000,000 pounds of material with 17,500,000 pounds of grain and 7,500,000 pounds of fiber utilized. This equates to more than 7,500 bales of wheat straw.

Ethanol Feasibility Studies: Producers across the state have expressed interest in investigating ethanol production. Working with the staff of the Kansas Corn and Grain Sorghum Commission, the Division provided technical assistance to five producer groups interested in assessing the feasibility of ethanol production in their areas. The use of the FY00 Ethanol Template, which was developed by the KDOC&H and the Kansas Grain Sorghum Commission and Corn Commission, was instrumental in assisting interested producers.

The Division provided commercialization loans to the following groups to facilitate full-scale feasibility studies:

- Nesika Energy, Scandia - \$15,500
- Central Kansas Renewable Fuels, McPherson - \$13,500

American White Wheat Producers

Association: The Agriculture Products Development Division provided a \$75,000 commercialization loan to help the association conduct a feasibility study, develop a business plan, and establish a partnership with a retail chain of artisan bakeries. This loan was matched with a \$499,997 grant from the USDA to develop value added agricultural businesses.

Newhouse Dairy Processing, LLC: The Agriculture Products Development Division provided an \$80,000 commercialization loan for the construction of a small-scale dairy processing plant being built by a dairy farmer in Wellsville, Kansas. In addition to commercial funding, the Division will provide \$10,000 for market development on an as-needed basis. The dairy farmer wishes to use the funding to capture additional value from his 100-head dairy operation, and projects processing sales of \$220,000 in the first year of operation.

International Program

Mid-America International Agriculture Trade Council (MIATCO)

The Division continued its focus on international marketing efforts in assisting Kansas agriculture producers and food companies gain access to foreign markets. The Division assisted four Kansas companies in obtaining \$226,015 in grant money from MIATCO. The grant dollars match company contributions and are utilized in international market development.

The companies receiving funding are:

- Natural Life Pet Products, Frontenac - \$125,000

- Original Juan Specialty Foods, Inc., Kansas City, KS - \$6,000

- Pines International, Lawrence - \$85,015

- Twin Valley Products, Greenleaf - \$10,000

Mexican Trade Mission, May 2001

Partnering with the KDOC&H Trade Development Division, the Agriculture Products Development Division hosted a trade mission to the Mexican cities of Guadalajara and Monterrey. Six Kansas companies participated in the trade mission, including three agricultural producer groups. The 21st Century Alliance, 21st Century Bean Processing Cooperative, and AgraMarke sent company representatives to meet with prospective buyers of agricultural products. The 21st Century Bean Processing Cooperative was successful in securing post-mission dry bean sales of \$581,813. The Kansas company also secured yellow seed beans from a Mexican buyer, which will be raised on Kansas farms and sold back to Mexico in the fall of 2001. The KDOC&H is assisting all the participating companies, who deemed the mission a success, with follow-up on trade leads made on the mission.

Value-Enhanced Marketing of Hard Red Wheat to Mexico

Capitalizing on a memorandum of understanding signed in May 2000 with Grupo Trimex, the Division finalized the technical portion of the project in May 2001. The project was a cooperative effort between the KDOC&H Agriculture Products Development Division, Grupo Trimex, the 21st Century Alliance, Kansas State University, and the Kansas Wheat Commission. The purpose of the project was to assess the feasibility of a direct marketing, identity-preserved marketing system. Approximately 95,000 bushels of identity-preserved wheat were shipped by rail from three different Kansas locations to Grupo Trimex flour mills in Mexico City. The wheat was evaluated throughout the milling process, and the flour from the Kansas wheat blend was evaluated at

the bakery. Initial results indicate that the Kansas wheat has the opportunity to displace Canadian wheat in the flour millers' wheat blends.

A final project meeting was held in Mexico City in May of 2001. Representatives of KDOC&H, Grupo Trimex, 21st Century Alliance, KSU, and the Kansas Wheat Commission met to discuss project results and future partnerships. KDOC&H staff also facilitated meetings with three separate wheat milling associations in Mexico to discuss the opportunities of direct marketing Kansas wheat to Mexico.

The final stage of the project, which will wrap up in FY02, will be to share the results of the study with Kansas producers interested in value-enhanced marketing of grains.

Trade Teams

Foreign trade teams from a variety of nations visited Kansas in FY01. Visitors included a Mexican hide buyers team, ten foreign agriculture attachés from Washington, D.C., a European media team, and a Chinese agriculture reporter.

Technical Assistance

Division staff provided technical assistance to Kansas companies in international trade that resulted in sales of \$2,869,012 worth of Kansas agriculture products. Products included pizzas, wheat flour, corn products, seasonings and mixes, milk products, pet foods, wheat products, and honey.

From the Land of Kansas Trademark Program

Membership in the *From the Land of Kansas (FLOK)* program remained fairly constant, with 653 companies participating in the past fiscal year. Trademark clients continue to utilize services provided through the *FLOK* Trade Show Assistance Program and the Agricultural Value Added Center.

In FY01, the Division initiated a new pilot program to assist members with business enhancement projects. The Business Enhancement Fund program was designed to be a dollar-for-dollar match for businesses to explore market development, business development, web site development, and many other projects deemed appropriate by the Division.

The 15th Annual *Buy Kansas First Exposition* proved to be a successful marketing event for many companies in the trademark program. Thirteen *FLOK* clients participated in the exposition that featured a wide variety of products. A buyers event, sponsored by KDOC&H, was held during the opening evening for wholesale and retail buyers to have one-on-one contact with the *FLOK* companies exhibiting. The event was coordinated by representatives of the *FLOK* program and attended by approximately 350 buyers.

The Trade Show Assistance Program assisted 12 *FLOK* clients in FY01 with cumulative awards of \$3,000. These clients have generated \$50,261 in sales from their respective trade shows. Participants in the Trade Show Assistance Program are required to report their sales at three intervals: post show, three months following show, and six months following show. Sales from the Trade Show Assistance Program in FY01 total \$15,634.

The companies utilizing FY01 Trade Show Assistance program funds are as follows:

Balloons by Little Bo-Tique	Topeka	\$250
Carey's Wheat Berries	Sterling	\$250
Central Supply, Inc.	Great Bend	\$250
Chieftain Brand Meats	Kiowa	\$250
Elsie Grace's	Frankfort	\$250
Humble Beginnings	Hays	\$250
Kansas Konfections	Nickerson	\$250
Smoky Hill Bison Co.	Lindsborg	\$250
The Friendly Company, Inc.	Mount Hope	\$250
TJ's Soap & Stuff	Arkansas City	\$250
Unique Equine Jewelry	Andover	\$250
Wiedmann Farm Fresh Meats	Onaga	\$250

Western Kansas Field Office

The western Kansas field office was relocated from Garden City to the campus of Fort Hays State University in FY01. The field representative is a Division liaison to clients in the western region of Kansas. The field staff provides one-on-one consultation to clients in the areas of business planning and marketing.

In FY01, the field staff focused on providing assistance to ethanol groups in western Kansas. Working with the industrial agriculture manager, the staff assisted groups in Hoxie and McPherson. The staff also presented ethanol information to three other western Kansas groups.

Dairy Recruitment

The Division continues to support the efforts of western Kansas communities by assisting them in the recruitment and development of dairy facilities. In FY01, the field staff participated in the World Ag Expo (California), New York Farm Show, and World Dairy Expo (Wisconsin), working with the Western Kansas Rural Economic Development Alliance (wKREDA).

The efforts of the KDOC&H and wKREDA have been instrumental in Kansas being ranked sixth in the nation in total yearly gain of milk production by state. Milk production increased by 8.2 percent for the 2000 calendar year. Over the past five years, total dairy cow numbers have increased 11 percent, with a herd average of 2,324,118 pounds of milk. Total milk production in Kansas throughout the past five years has increased 18.2 percent.