

MINUTES OF THE HOUSE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on January 30, 2006, in Room 423-S of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Gordon Self, Revisor of Statutes Office
Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Justin Holstin, Executive Director, Kansas Propane Education & Research Council
Greg Noll, Director of Education, Kansas Propane Education & Research Council
Kenlon Johannes, Administrator, Kansas Soybean Commission
Bob Haselwood, member, Kansas Soybean Commission
Tom Morton, Chairman, Kansas Wheat Commission

Others attending: See attached list.

Justin Holstin, Executive Director, Kansas Propane Education & Research Council, presented the Council's annual report. KanPERC became effective September 1, 2003, at 2/10 of a cent per gallon on odorized propane destined for end consumer use in Kansas to promote and enhance propane safety in the state. He reviewed their income, expenses, and budgets for FY 2005 and FY 2006, reporting that KanPERC has received non-profit status from the Internal Revenue Service. He discussed new and existing safety programs including coloring books for schools; "scratch and sniff" safety brochures; education classes for marketers, plumbers, and firefighters; public safety press releases, for example grilling and turkey-fryer safety; fire training grants for fire fighters and first responders; and other safety information brochures. He assured the committee that, as per the legislation, there will be no advertising or promotional programs paid for by KanPERC. (Attachment 1)

Greg Noll, Director of Education, Kansas Propane Education & Research Council, reported that in 2005 KanPERC conducted 42 training classes consisting of Certified Employee Training Programs, noting that CETP classes are considered to be the standard for safety education in the propane industry. CETP is a formal structure for training, testing, and documentation to assure that workers in the propane industry have the necessary knowledge and skills to perform their work safely and effectively. He reviewed the topics for 2006 KanPERC training classes. (Attachment 2)

Kenlon Johannes, Administrator, Kansas Soybean Commission, provided an update on the status of biodiesel in Kansas, including an outline with background materials consisting of 1) Biodiesel basics; 2) Biodiesel's use in Kansas; 3) Promotional materials available; 4) Current Kansas laws on biodiesel; 5) Kansas Legislature's Select Joint Committee on Energy, December, 2005, conclusions and recommendations as related to biodiesel; 6) Possible biodiesel plant locations in Kansas, currently there are none; and 7) Macroeconomic assessment and impacts of a biodiesel plant in Kansas. (Attachment 3)

Bob Haselwood, member, Kansas Soybean Commission, presented their annual report noting that unlike the Corn, Wheat and Grain Sorghum Commissions, the Kansas Soybean Commission is part of a federal checkoff program. He reported that the number one funding priority of the Soybean Commission is research, primarily production research. Details on programs and projects funded in FY 2005 are included with the Kansas Department of Agriculture's handouts. (Attachment 4)

Tom Morton, Chairman, Kansas Wheat Commission, presented their annual report to the Legislature. Annual reports of the Kansas Wheat Commission, Kansas Soybean Commission, Kansas Corn Commission, Kansas Sunflower Commission, and the Kansas Grain Sorghum Commission were provided by the Kansas Department of Agriculture. (Attachment 5)

The meeting adjourned at 4:40 p.m. The next meeting of the House Agriculture Committee is scheduled for February 1, 2006.

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: JANUARY 30, 2006

NAME	REPRESENTING
Sustin Holstin	Kan PERC
Natalie Busley	Kan PERC
Greg Noll	Kan PERC
Jim Mott	KWC
Dusti Fritz	KS Wheat
Twila Drybread	DOB
Erik Wisner	KDA
Dana Hoffman	Ks Assoc of Wheat Growers
Rachel Marshall	Rep. Faust - Goudeau
Taylor Gillespie	Rep. Gatewood - Intern
Bob Hasewood	Kansas Soybean Commission
Kenton Johannes	Kansas Soybean Commission
Leslie Kaufman	Ks Coop Council
Deann Williams	KS MOTOR CARRIERS ASSOC.
Duane Simpson	KGFA-KARA
Ray Harrelson	KDOC
BRAD HARRELSON	KFB

KanPERC

Kansas Propane Education & Research Council

420 S.E. 6th Ave., Suite 2000 • Topeka, KS 66607 • 785/354-1749 • FAX 785/354-1740 • email: kanperc@propaneinkansas.org

January 30, 2006

Chairman Johnson and Members of the House Agriculture Committee;

Thank you for the opportunity to brief you on the activities of the Kansas propane Education & Research Council as required by HB 2038. At anytime, please feel free to stop me and ask questions.

KanPERC became effective September 1, 2003 at 2/10 of a cent per gallon on odorized propane destined for end consumer use in Kansas. For the fiscal year 2004-2005 KanPERC received assessments of \$243,591.44 and expended a total of \$277,302.09 for programs. Assessments, budgeted on the previous year's of \$325,000, were dramatically down due to a warm winter and high energy prices during the "fall-fill" season. At the end of the fiscal year KanPERC had in reserves \$211,728.06 in order to compensate for any shortfalls in income and continue established programs. As you can see from the enclosed budget, the Council has trimmed expenses to act in a fiscally responsible manner. Also, after over a year of communication with the Internal Revenue Service, KanPERC has received non-profit designation. Financial information is included in attached documents including income, expenses, and budgets.

The Council holds quarterly meetings at the KanPERC office in Topeka. Current membership appointed by the governor:

Jim Brewer, Leon, Acting Chairman
Nadene Ervin, Chanute, Treasurer
Ron Davis, Nortonville
Joyce French, Emporia
Heather Kickhaefer, Mission
Brad Girton, Clay Center
Don Sutton, Kansas City
Cody Wray, Wichita
Joe Shriver, Arkansas City
Dan McLaughlin, Fire Marshal Designee

KanPERC strives to create new and bolster existing programs to better facilitate educational mandates of the enabling legislation, including but not limited to:

Coloring Books for Schools:

One of the first programs created by the Council was to reach out and provide safety information free of charge to all elementary schools in Kansas. Last year over 22,000 coloring books were distributed to schools and marketers free of charge. This year we are working on a Kansas specific customized book for children which should be ready to launch in early spring. A prototype is included in your packet. This will be an annual program.

Duty to Warn Information:

All propane companies have been provided with Fire Marshal approved "scratch and sniff" safety brochures (duty to warn) to provide to customers. Over 200,000 have been sent annually around the state. This will be an annual program.

Education Classes:

KanPERC has provided many classes to marketers in the state. Planning for next year has begun with an emphasis on more classes and more audiences including plumbers and fire-fighters. Greg Noll, the Director of Education will address this in more detail.

Public Safety Press Releases:

The Council has created and disseminated press releases at various times throughout the year in regards to grilling and turkey-fryer safety and will continue to do more releases as issues present themselves.

Fire Training Grants:

The Council made available grants for fire fighting and first responder education and training. At this point, a company in LaCrosse is evaluating and revitalizing equipment which will be made available throughout the state for fire training.

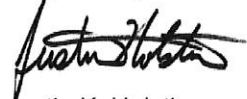
Brochures:

The Council is working on creating brochures that will address the needs of safety and information for Kansans including price information, regulator replacement information, and other information pertinent to Kansans.

Per the legislation there will be no advertising or promotion programs paid for by KanPERC.

If you have any questions or concerns, please do not hesitate to contact the Council office.

Respectfully Submitted on Behalf of the Council,



Justin K. Holstin
Executive Director

KanPERC

Budget FY 2005
Final Report

Final Year End Report

Adopted

Estimated Collections	\$ 325,000.00
Misc Income	
Total	\$ 325,000.00

Actual	% of Budget	"+/-" of Budget
\$ 240,903.23		
\$ 2,688.21		
\$ 243,591.44	75%	(\$81,408.56)

PROGRAMS

Safety & Industry Education (S&E)

CETP: 3 Basic, 3 Delivery, 2 Distribution	\$ 21,000.00
Modified Basic & HazMat Training	\$ 2,500.00
Interrupted System Startup Schools: 5 Schools	\$ 11,500.00
Propane 101, 202 & 303	\$ 1,000.00
Printing, Copying, Publications, Postage	\$ 6,000.00
Industry Pinnacle Registration Program 20 @ \$500	\$ 10,000.00
Cylinder Filling/Dispensing Tests Publications	\$ 500.00
Office Exp.	\$ 75,000.00
Total S&I Programs	\$ 127,500.00

\$ 41,606.97	(5 classes of B&D, 1 Dist.)	
\$ 2,623.63	(4 classes)	
\$ 7,520.92	(4 classes, canceled 1)	
\$ -	(no cost)	
\$ 4,146.97		
\$ 3,000.00		
\$ -		
\$ 79,512.21		
\$ 138,410.70	109%	\$10,910.70

Public Education (PE)

Staff travel (Pinnacle, PERC, & Exec. Summit, SEAC)	\$ 4,500.00
News Releases/Press Kits	\$ 500.00
Duty To Warn Information & Coloring Books for Schools Prog	\$ 76,000.00
Plumber Education Materials: CETP Appliance	\$ 3,250.00
Fire Training Grants	\$ 15,000.00
Total PE programs	\$ 99,250.00

\$ 7,499.85		
\$ -		
\$ 72,314.30		
\$ 4,718.10	(1 Basic Service Cert. Training)	
\$ -		
\$ 84,532.25	85%	(\$14,717.75)

Research & Development (R&D)

Nothing planned FY05	\$ -
Total R&D programs	\$ -

\$ -		
\$ -	0%	\$0.00

Administrative Expenses (Not Directly Related to Education max allowed 10% of income)

Insurance (D&O)	\$ 1,200.00
Professional Fees	\$ 2,000.00
Office Exp	\$ 27,000.00
Meeting Expense	\$ 500.00
Total Administrative	\$ 30,700.00

\$ 1,000.00		
\$ 2,012.95		
\$ 20,550.21		
\$ 795.98		
\$ 24,359.14	79%	(\$6,340.86)

TOTAL all programs	\$ 257,450.00
25% Council Directed Ending Balance	\$ 81,250.00

\$ 247,302.09	96%	(\$10,147.91)
\$ (3,710.65)	-5%	(\$84,960.65)

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KanPERC
Budget FY 2005
Final Report

H-1

Estimated Income	\$ 325,000.00
Estimated Expenses	\$ 257,450.00
Ending Balance	\$ 67,550.00

Income	\$ 243,591.44	75%	\$ (81,408.56)
Expenses	\$ 247,302.09	96%	\$ (10,147.91)
Net Income	\$ (3,710.65)	-5%	\$ (71,260.65)

Capital Reserves Ending 04-05

Predicted	\$ 282,550.00
Actual (Money Market, Savings, Equipment)	\$ 211,728.06

KanPERC Budget FY05 adopted November 9, 2004
1/21/2006 15:00

KanPERC

Budget FY 2006
Adopted Budget

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Proposed Budget

	04-05 Actual	05-06 Proposed	% of Budget	"+/-" of Budget
Estimated Collections	\$ 245,809.23	\$ 244,500.00		
Misc Income	\$ 2,688.21	\$ 1,500.00		
	\$ 248,497.44	\$ 246,000.00	-1%	(\$2,497.44)

PROGRAMS

Safety & Industry Education (S&E)

CETP: 4 Basic, 4 Delivery, 2 Distribution	\$ 41,606.97	\$ 27,000.00		
Modified Basic & HazMat Training: 5 classes	\$ 2,623.63	\$ 2,600.00		
Interrupted System Startup Schools: 3 Schools	\$ 7,520.92	\$ 5,600.00		
Propane 101, 202 & 303	\$ -	\$ -		
Printing, Copying, Publications, Postage	\$ 4,146.97	\$ 5,000.00		
Industry Pinnacle Registration Program 5 @ \$500	\$ 3,000.00	\$ 2,500.00		
Office Exp.	\$ 79,512.21	\$ 79,000.00		
Total S&I Programs	\$ 138,410.70	\$ 121,700.00	-14%	(\$16,710.70)

Public Education (PE)

Staff travel (Pinnacle, PERC, & Exec. Summit, SEAC)	\$ 7,499.85	\$ 7,200.00		
News Releases/Press Kits	\$ -	\$ 500.00		
Duty To Warn Information & Coloring Books for Schools Prog	\$ 72,314.30	\$ 73,000.00		
Other Brochure Programs/Misc.	\$ -	\$ 7,500.00		
Plumber Education: 1 Basic Service Training & PHCC	\$ 4,718.10	\$ 4,500.00		
Total PE programs	\$ 84,532.25	\$ 92,700.00	9%	\$8,167.75

Research & Development (R&D)

Fire Training Equipment	\$ -	\$ 4,500.00		
Total R&D programs	\$ -	\$ 4,500.00	100%	\$4,500.00

Administrative Expenses (Not Directly Related to Education max allowed 10% of income)

Insurance (D&O)	\$ 1,000.00	\$ 1,000.00		
Professional Fees	\$ 2,012.95	\$ 1,250.00		
Office Exp	\$ 20,550.21	\$ 20,000.00		
Meeting Expense	\$ 795.98	\$ 500.00		
Total Administrative	\$ 24,359.14	\$ 22,750.00	-7%	(\$1,609.14)

Refunds of Assessments Paid

	\$ 4,906.00	\$ 4,250.00	-15%	(\$656.00)
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TOTAL all programs	\$ 252,208.09	\$ 245,900.00	97%	(\$6,308.09)
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KanPERC

Budget FY 2006

Adopted Budget

04-05 Actual

Income	\$ 248,497.44
Expenses	\$ 252,208.09
Net	\$ (3,710.65)

05-06 Proposed

			Change
Income	\$ 246,000.00	-1%	\$ (2,497.44)
Expenses	\$ 245,900.00	-3%	\$ (6,308.09)
Net Income	\$ 100.00		\$ 3,810.65

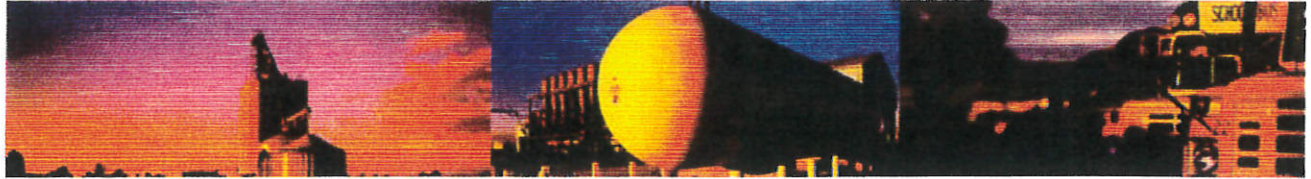
KanPERC Proposed Budget 2

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[Education Opportunities: Industry Education Calendar & Class Descriptions \(Free Classes\)](#)

[Regulator Change-Outs: What's Required-What's Suggested \(click here\)](#)



Kansas Propane Education Research Council

KanPERC is designed to enhance propane safety, education, and training for propane consumers and employees; to improve existing propane technology; to increase the efficiency of propane and to develop other programs to educate the public about the safety, environmental aspects, and uses of propane.

[MORE KanPERC INFORMATION, RESOURCES, & INFORMATION...](#)



Consumers

Propane gas has many advantages that simply make life more pleasant. A propane gas water heater recovers twice as fast as an electric one - and can make running out of hot water a thing of the past. Most homeowners prefer propane gas furnaces because they are more comfortable. And a propane gas range heats more evenly and reduces the risk of burning with its "instant off" feature. It's also never effected by an electrical power outage.

[MORE CONSUMER INFORMATION ...](#)



Dealers & Suppliers

KanPERC takes pride in our commitment to our dealers and suppliers as well as leading the way in consumer information. KanPERC is a valuable source of information and training for individuals involved in the propane gas industry as well as a source of information for consumers.

[MORE DEALER INFORMATION ...](#)

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To learn more about the propane industry, visit www.pmak.org.

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PROPANE
EXCEPTIONAL ENERGY™

420 SE 6th St, Topeka, KS 66607 * Phone: 785-354-1749 * Fax: 785-354-1740

For Immediate Release
For More Information Contact:
Greg Noll, Director of Education
785/354-1749
gregnoll@propaneinkansas.org

Propane Industry Asks American Consumers to Grill Safely This Memorial Day Basic Safe Grilling Tips

Topeka, KS (May 24, 2005) — Memorial Day is the traditional start of the summer grilling season. To help grillers across the country enjoy this popular holiday as safely as possible, the Propane Education & Research Council (PERC) and the Kansas Propane Education & Research Council (KanPERC) today has released its top ten safe grilling tips.

According to PERC and KanPERC, the most important tips for grilling safely with propane are:

1. When the cylinder is refilled, have the supplier check for dents, damage, rust or leaks.
2. After filling or exchanging, take the cylinder home immediately. Keep the vehicle ventilated and the cylinder valve closed and capped.
3. Always use or store cylinders outdoors in an upright (vertical) position. Do not use, store, or transport cylinders near high temperatures (this includes storing spare cylinders near the grill).
4. Never leave the grill unattended. Always follow grill manufacturer's instructions on lighting the grill and make sure the grill top is open.
5. Before connecting or lighting a propane gas grill, use a leak-detection solution to check connections for tightness. Do not use matches or lighters to check for leaks.
6. If you suspect a gas leak, and are able to safely turn off the gas supply valve, do so immediately and call the fire department.
7. Do not allow children to tamper or play with the cylinder or grill.
8. Do not smoke while handling a propane cylinder.
9. Never pour an accelerant such as lighter fluid or gasoline on the grill.
10. When not in use, grill burner controls should be turned off and cylinder valve closed.

Grilling has become a staple of American culture. According to the Hearth, Patio & Barbecue Association, more than 80 percent of U.S. families now own a barbecue grill. Of those, nearly 65 percent own propane grills so the importance of following safe grilling tips is even more critical.

"Because most grilling in the United States is done on propane grills, these tips are especially relevant for the American consumer," said Greg Noll, Director of Education for the Kansas Propane Education and Research Council (KanPERC). "Following these safety tips is a simple way to ensure an enjoyable grilling experience this Memorial Day, as well as the entire summer."

For additional information about safe grilling tips, propane grills or other propane appliances, please visit www.propaneinkansas.com.

KanPERC Safety Training Report

A Review of 2005 and a Preview of 2006

KanPERC-An industry commitment to the safety and education of Kansans.

KanPERC is designed to enhance propane safety, education, and training for propane consumers and employees; to improve existing propane technology; to increase the efficiency of propane; and to develop other programs to educate the public about the safety, environmental aspects, and uses of propane.

In 2005, KanPERC conducted 42 training classes consisting of Certified Employee Training Programs (CETP). CETP classes are considered to be "the standard for safety education in the propane industry" according to the National Propane Gas Association. CETP is a formal structure for training, testing and documentation to assure that workers in the propane industry have the necessary knowledge and skills to perform their work safely and effectively. Properly trained and educated employees, customers and end-users mean a safer and healthier organization. Propane marketers are considered experts in their trade and as such, must also assure that their customers are educated.

Training conducted in 2005 included:

- **CETP Basic Principles and Practices**
- **CETP Propane Delivery Operations**
- **CETP Vapor Distribution Systems Operations**
- **CETP Basic Principles and Practices & Propane Delivery Operations Refresher**
- **Certified DOT HazMat Refresher**
- **Certified Basic Service Training**
- **Certified Interrupted Service Startup Training**
- **Certified Safe Dispensing of Propane (30+ classes for cylinder fill training)**

KanPERC 2006 training schedule includes:

- **8 days of Basic Principles and Practices**
- **12 days of Propane Delivery Operations**
- **4 days of Modified Basic and Delivery Refresher**
- **4 days of Basic Service Training**
- **6 days of Vapor Distribution System Operations**
- **4 days of Propane Piping System Refresher Training**
- **7 days of HazMat Refresher Training**
- **Cylinder Fill Training - offered upon request**

All 2006 Training classes can be seen by logging onto our web site: www.propaninkansas.org. In addition to the training schedule on line, KanPERC also offers regulator awareness information and safety and training videos which can be checked out upon request and returned after viewing.

Kansas Soybean Commission
January 30, 2006
Report on the Development of Biodiesel in Kansas

Chairman Johnson and members of the Kansas House Agriculture Committee, my name is Kenlon Johannes; I serve as the administrator of the Kansas Soybean Commission (KSC).

Chairman Johnson has asked KSC to provide you with an update on the status of biodiesel in Kansas. I have prepared this outline with background materials for your information.

1. **Biodiesel 101**, p. 1-12
2. **Biodiesel's use in Kansas**, p. 13-23
 - Summary of the expansion of retail outlets
 - Off-road bulk retailers
 - On-road retail outlets
 - Usage summary
 - 100% biodiesel suppliers
 - Environmental impact of 2% biodiesel usage in Kansas
3. **Promotional materials available**, p. 25
4. **Current Kansas laws on biodiesel**, p. 27-30
 - 55-443 Biodiesel definition and 2% requirement for a blend
 - 75-3744a State owned vehicle and equipment 2% or higher blend mandate
5. **Kansas Legislature's Select Joint Committee on Energy information**, p. 31-38
 - KSC presentation on state policy concepts
 - KSC presentation analysis on cost of production
 - Committee's conclusions and recommendations (biodiesel specific)
6. **Possible biodiesel plant locations in Kansas**, p. 39
7. **Macro economics of a biodiesel plant in Kansas**, p. 41-45

I am pleased to give you this brief synopsis of the status of biodiesel in Kansas. Additional information is available at your request.

Kansas Soybean Commission Office
2930 SW Wanamaker Drive
Topeka, KS 66614-4116
Phone: 785-271-1040

House Agriculture Committee
January 30, 2006
Attachment 3

Biodiesel Basics

Kenlon Johannes

Administrator/ CEO

**Kansas Soybean Commission &
Association**

A quick, visual guide on this
fast-growing, high-quality
American-made fuel.

Our soybean checkoff.
Effective 1/1/02. Lower Taxes.

What is biodiesel?



- Alternative fuel for any diesel engine
- From renewable resources such as soybeans
- Used in pure form (B100) or blended with petroleum diesel at any level
- Made in the USA
- Available in 50 states

Our soybean checkoff.
Effective 1/1/02. Lower Taxes.

What is biodiesel?

General Definition:

Biodiesel is a domestic, renewable fuel for diesel engines derived from natural oils such as soybean oil, and which meets the specifications of ASTM D 6751.

Additional Information:

Biodiesel can be used in any concentration with petroleum-based diesel fuel in existing diesel engines with little or no modification. Biodiesel is not raw vegetable oil. It is produced by a chemical process that removes glycerin from the oil.


Our soybean checkoff.
Effective 1/1/02. Lower Taxes.

What is biodiesel?

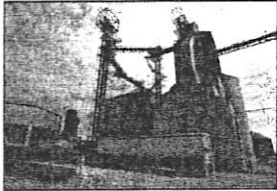
Technical Definition:

Biodiesel, n—a fuel composed of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, designated B100, and meeting the requirements of ASTM (American Society for Testing & Materials) D 6751.


Biodiesel Blend, n—a blend of biodiesel fuel meeting ASTM D 6751 with petroleum-based diesel fuel, designated Bxx, where xx represents the volume percentage of biodiesel fuel in the blend.


Our soybean checkoff.
Efficient. Efficient. Lower Prices.

Biodiesel Production

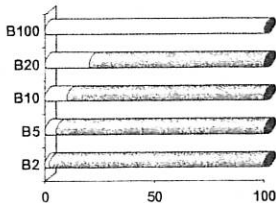


100 lbs. of soybean oil
+
10 lbs. methanol & catalyst
=
100 lbs. soy biodiesel (B100)
+
10 lbs. of glycerin


Our soybean checkoff.
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Biodiesel Blends

Biodiesel Petroleum diesel



B100 = 100% biodiesel
B20 = 20% biodiesel + 80% petroleum diesel
B10 = 10% biodiesel + 90% petroleum diesel
B5 = 5% biodiesel + 95% petroleum diesel
B2 = 2% biodiesel + 98% petroleum diesel


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Rudolf Diesel



- Designed diesel engine in 1894 to run on peanut oil
- "The use of vegetable oils for engine fuels may seem insignificant today. But such oils may become in the course of time as important as petroleum and the coal tar products of the present time."*

-1912

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Soybean Checkoff & biodiesel



- 1992: Soybean checkoff funds soy biodiesel research**

PHOTO: Soybean farmers use checkoff funds to develop ASTM standards, gain acceptance from engine manufacturers and prove fuel characteristics to EPA, DOE, USDA, DOD and governmental agencies.



- 2005: Soybean checkoff continues to fund most soy biodiesel growth**

PHOTO: South Dakota farmer Bob Metz, NBB President, welcomes the 1992 Ford pickup back to Washington, D.C., 10 years and 300,000 miles later.

Our soybean checkoff.
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Dominant feedstock: soybean oil



- Soy Biodiesel**
 - ✓ Thoroughly researched
 - ✓ Road/Field-tested
 - ✓ 10 years + of development & promotion funded by soybean checkoff

Our soybean checkoff.
Efficient. Efficient. Lower Prices.

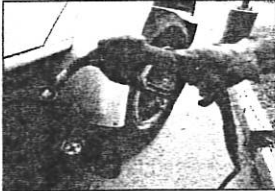
Biodiesel Users



- Major Customers Include:
 - ✓ U.S. Forest Service
 - ✓ U.S. Postal Service
 - ✓ MO, NJ, KDOT
 - ✓ Yellowstone Park
 - ✓ Cities of Philadelphia and St. Louis
 - ✓ Florida Power & Light
 - ✓ Omaha Public Power
 - ✓ Michigan & N.J. School Districts
 - ✓ U.S. farmers
 - ✓ Working for more!

Our soybean checkoff.
Effective 1/1/01. Farmer-Owned.

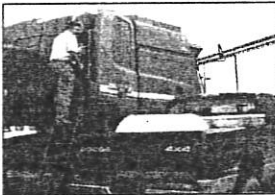
Biodiesel Quality



- Registered with EPA
 - ✓ legal fuel
 - ✓ health effects testing
- National Fuel Standard
 - ✓ ASTM D 6751
- Convenient Clean Air Act compliance option
 - ✓ federal, state and public utility regs.

Our soybean checkoff.
Effective 1/1/01. Farmer-Owned.

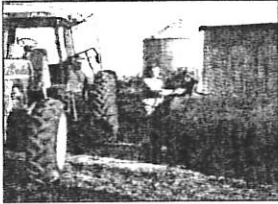
Biodiesel Performance



- Similar to petroleum diesel
- Highest BTU content of any alternative fuel
- High cetane
 - ✓ Minimum cetane of 47, which is higher than most #2 diesel

Our soybean checkoff.
Effective 1/1/01. Farmer-Owned.

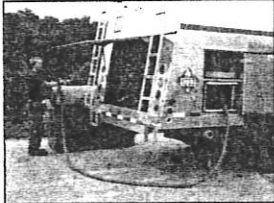
Biodiesel Performance



- High lubricity
- Cold flow
 - ✓ B2 the same as #2 petroleum diesel
- High flash point
 - ✓ 260°F vs. 117°F for diesel
- Safest fuel to use, handle & store

Our soybean checkoff.
Effective. Efficient. Lower Taxes.

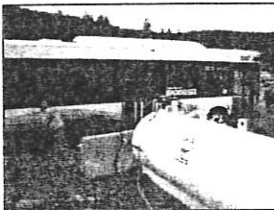
Biodiesel Performance



- Many engine manufacturers support biodiesel blends
 - ✓ Caterpillar
 - ✓ Cummins
 - ✓ Detroit Diesel
 - ✓ International
 - ✓ John Deere

Our soybean checkoff.
Effective. Efficient. Lower Taxes.

Biodiesel & Cleaner Air




- Decreases EPA-targeted emissions
- Virtually free of sulfur & aromatics
- Soy B100 reduces lifecycle CO₂ by 78%

Our soybean checkoff.
Effective. Efficient. Lower Taxes.

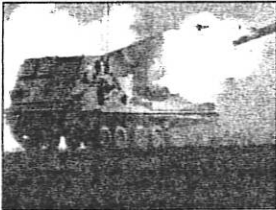
Biodiesel & Environment



- Highest energy balance of any fuel
 - ✓ 3.2 - 1
- Biodegrades as fast as sugar
- 10 times less toxic than salt


Our soybean checkoff.
Effective. Efficient. Farmer-Driven.

Biodiesel & Energy Security

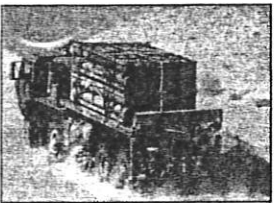


Source: USDOE

- Petroleum imports projected to provide 68% of U.S. demand in 2025
 - ✓ up from 55% in 2001
- U.S. now consumes 20 million barrels of oil a day
 - ✓ 10+ million imported



Our soybean checkoff.
Effective. Efficient. Farmer-Driven.

Biodiesel & Energy Security



Source: USDOE

- Top 10 nations with oil:
 - ✓ Saudi Arabia
 - ✓ Iraq
 - ✓ United Arab Emirates
 - ✓ Kuwait
 - ✓ Iran
 - ✓ Venezuela
 - ✓ Russia
 - ✓ Libya
 - ✓ Mexico
 - ✓ China


Our soybean checkoff.
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Biodiesel Action



- U.S. government
 - ✓ Executive branch
 - ✓ USDOD, USDA
 - ✓ Legislative branch
 - ✓ U.S. Congress
- State governments
 - ✓ Minnesota, 2002
 - ✓ requires B2

*Our soybean checkoff.
Effective 1/1/02, Lower Taxes*

Biodiesel Tax Incentive PASSES!

- Passed in FSC/ETI Bill
- Federal Excise Tax Credit
- One penny per percent of "agri-biodiesel" blended into diesel fuel
 - As in first-use vegetable oils
 - B20 = 20 cent tax credit or every gallon of biodiesel blended will generate one dollar of tax credit.
- 1/2 penny per percent of other biodiesel blended into diesel fuel
 - As in recycled cooking oil



*Our soybean checkoff.
Effective 1/1/02, Lower Taxes*

Biodiesel Tax Incentive

- Credit taken at the blender level
- Structured to benefit all consumers (taxable and tax exempt markets)
- Expires December 31, 2006



*Our soybean checkoff.
Effective 1/1/02, Lower Taxes*

Tax Incentive Time Line

- Oct. 22, 2004 - President Bush signs FSC ETI Bill containing the biodiesel tax incentive.
- Nov. 2004 - NBB Board appoints an Rules Implementation Committee to provide industry input and work directly with the IRS on rules implementation.
- Dec. 2004 - NBB Rules Implementation Committee meets with IRS in Washington D.C.
- Dec. 22, 2004 - IRS publishes preliminary guidance document.
- Jan. 1, 2005 - Biodiesel Tax Incentive goes into effect.
- April - May, 2005 - Final implementation rules published.

*Our soybean checkoff.
Protect. Promote. Expand Demand.*

How will it affect price?

- DTN's Alt Fuels Index in Mid-October 2004:
 - No. 2 diesel: \$1.53/gal.
 - B20: \$1.72/gal.
 - The tax incentive could lower the price of B20 by 20 cents
 - B20: \$1.52/gal.
- There will be variables that determine the cost differential, including the price of oil, but the tax incentive will help close the gap.
- Biggest variable will be infrastructure. Some of the incentive could be put towards infrastructure.



*Our soybean checkoff.
Protect. Promote. Expand Demand.*

How will it affect price?

- Given current crude oil prices, we could see a substantial increase in demand after the regs are implemented.



*Our soybean checkoff.
Protect. Promote. Expand Demand.*

How will consumers benefit?

Competition will drive blenders to pass on savings to consumers.

Evidence of this can be seen in the ethanol market and the bioenergy market. Nearly the full amount of the credits were passed through.



*Our soybean checkoff.
Effective. Efficient. Farmer-Driven.*

How Will Farmer Benefit?

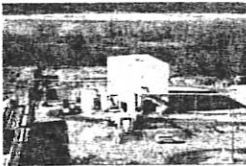
FAPRI, AUS, USDA all conclude:

- For every 100m gallons of biodiesel sold it will increase the price of soybean 10 cents per bushel.
- Hedges potential threats from losses in edible oil market, adds value to livestock fats
- Decreases meal costs which lowers livestock feed by 5% and increases meal exports



*Our soybean checkoff.
Effective. Efficient. Farmer-Driven.*

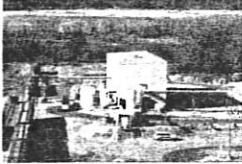
Market Projections




- How much demand will the incentive create?
 - At least 124 million gallons annually (USDA) in near future
 - Could be much higher over next decade, based on outside factors like crude oil price
 - FY04 production was 30 m/gal

*Our soybean checkoff.
Effective. Efficient. Farmer-Driven.*

Market Projections




- What is industry capacity?
 - Currently up to 150 million gallons/yr.
 - More plants planned
 - Capacity could be doubled within 12 - 18 months


Our soybean checkoff.
Effective. Efficient. Farmer Driven.

Industry Priorities


- Obtain extension for the Biodiesel Tax Incentive.
- Work to include the Renewable Fuel Standard (RFS) in Energy Bill. RFS will require 8% of fuel sold by 2012 will have to be renewable.
- Certify 2007 engines on biodiesel.


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Effective. Efficient. Farmer Driven.

Biodiesel Use




- B2 or higher is target blend level
- During winter, handle B2 just like #2 diesel
 - ✓ add pour point depressants
 - ✓ store vehicles indoors
 - ✓ or use block htrs.
- Shelf life for B2 is same as #2 diesel


Our soybean checkoff.
Effective. Efficient. Farmer Driven.

Biodiesel Use




- Equipment benefits
 - ✓ superior lubricity
 - ✓ B2 has up to 66% more lubricity than #2
- EPA requires sulfur reduction in 2006
- No overdosing concerns
- B2 about + \$.03/gal.
- Utilize U.S. crops


Our soybean checkoff.
Efficient. Efficient. Farmer Owned.

If every farmer used B2...



- we could utilize:
- 71.6 million gallons of soy biodiesel annually
 - 51.1 million bushels of U.S. soybeans annually


Our soybean checkoff.
Efficient. Efficient. Farmer Owned.

If every trucker used B2...



- we could utilize:
- 664 million gallons of soy biodiesel annually
 - 474 million bushels of U.S. soybeans annually


Our soybean checkoff.
Efficient. Efficient. Farmer Owned.

3-12-11

Biodiesel Action




The soybean checkoff helped develop soy biodiesel and continues to fund its growth



We ask farmers to ask fuel suppliers and retailers to carry soy biodiesel




We encourage others to use soy biodiesel


Our soybean checkoff.
Efforts. Eloquent. Easier. Forever.

Biodiesel Backers & Alliance




- Easy to join...do it!
 - ✓ www.biodiesel.org
- Individuals: Backers
 - ✓ farmers
 - ✓ consumers
 - ✓ other diesel users
 - ✓ fuel suppliers
- Organizations: Alliance
 - ✓ agricultural
 - ✓ environmental
 - ✓ health
 - ✓ government


Our soybean checkoff.
Efforts. Eloquent. Easier. Forever.

Biodiesel Resources

- National Biodiesel Board (NBB)**
 - ✓ Informational and technical resources, database
 - ✓ www.biodiesel.org
 - ✓ 888-BIODIESEL (246-3437)
- Kansas Soybean Commission (KSC)**
 - ✓ Information, education, materials
 - ✓ www.kansassoybeans.org
 - ✓ 877-KS-SOYBEAN (577-6923)
- United Soybean Board (USB)**
 - ✓ Biobased Products Information
 - ✓ www.unitedsoybean.org
 - ✓ 800-989-8721
- American Soybean Association (ASA)**
 - ✓ Energy policy
 - ✓ www.soygrowers.com
 - ✓ 800-688-7692


Our soybean checkoff.
Efforts. Eloquent. Easier. Forever.

Growth of Biodiesel Retail Outlets in Kansas

2% or higher blend offered

Date	Off-road fuel retailers	On-road fuel retailers
January 1, 2003	25	2
October 1, 2003	111	11
October 1, 2004	130	17
October 1, 2005	172	29
January 1, 2006	172	29

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Kansas Bulk Off-Road Dyed Biodiesel Retailers			
2% or Higher Blends Available			
Listing by City			
City	Biodiesel Retailer	State	Phone Number
Abilene	Robson Oil	KS	785-263-2470
Agenda	Agenda Oil Co.	KS	785-732-6521
Andale	Andale Farmer's Coop	KS	316-444-2141
Arma	Doue Oil	KS	620-347-8508
Atchison	Consumer Oil Co., Inc.	KS	913-367-1528
Athol	Athol Coop	KS	785-695-2209
Attica	Dark Oil	KS	620-254-7266
Atwood	Dave's Oil Service	KS	620-626-3728
Bartlett	Bartlett Coop	KS	620-226-3322 or 800-314-2667
Belleville	Farmway Coop	KS	785-527-5417
Beloit	Farmway Coop	KS	785-738-2241
Beloit	Shamburg Oil Co.	KS	785-738-5181
Bendena	Consumer Oil Co., Inc.	KS	785-988-4459
Bern	Bern Oil Company, Inc.	KS	785-336-3518
Bird City	Frontier Equity Exchange	KS	785-734-2331
Blue Rapids	Home Oil Services, Inc.	KS	800-794-0945
Brewster	Frontier Equity Exchange	KS	785-694-2281
Buhler	Mid Kansas Coop	KS	620-543-2765
Burns	Mid Kansas Coop	KS	620-726-5287
Castleton	Mid Kansas Coop	KS	620-459-6950
Cawker City	Bob's Inc.	KS	785-454-6219
Chanute	Chandler Oil LLC	KS	800-274-4720
Cimarron	Dodge City Coop	KS	620-855-3421
Colby	Co-Ag	KS	785-462-2063
Colby	J. J. Oil	KS	785-425-7152
Columbus	Farmers Coop	KS	620-429-1294
Columbus	Midwest Propane	KS	620-429-3098
Columbus	Lopp Oil Co.	KS	620-429-1500
Concordia	Farmway Coop	KS	785-243-2394
Concordia	Walthers Oil Co.	KS	785-729-3398
Cottonwood Falls	Dieker Oil Co.	KS	620-273-6325
Courtland	Hoard Oil	KS	785-374-4425
Dighton	Shull Oil	KS	620-397-3175
Dodge City	Dodge City Coop	KS	620-225-4193
Downs	Midtown, Inc.	KS	785-454-6219
Durham	Agri-Producers, Inc.	KS	620-732-3315
Dwight	Dwight Fuel Service	KS	785-482-3389
Effingham	Jackson Farmers Inc.	KS	913-833-2070
Emporia	S&S Oil & Propane Co. Inc.	KS	620-342-2835
Elbing	Epp Service	KS	316-799-2333
Frankfort	Wanklyn Oil Co., Inc.	KS	785-292-4710
Fredonia	Burns Oil	KS	620-378-3226
Fredonia	Chandler Oil LLC	KS	620-378-2412 or 800-274-4720
Frontenac	Dobrauc Oil Co., Inc.	KS	620-231-9270
Garden City	Hampel Oil	KS	620-275-7777 or 877-430-4774

Garden City	Robinson Oil	KS	620-275-4237
Garden Plain	Hampel Oil	KS	316-648-7241
Garden Plain	Farmer's Coop Elevator	KS	800-525-7490
Garnett	Lybarger Oil, Inc.	KS	785-448-5512
Garnett	United Coop, Inc.	KS	785-448-3712
Girard	Producer's Coop	KS	620-724-4117
Goessel	Mid Kansas Coop	KS	620-367-2201
Goodland	Farmers Equity Exchange	KS	785-694-3681
Great Bend	Bird Oil Company	KS	620-793-5932
Great Bend	Great Bend Coop	KS	620-793-5031
Great Bend	Moeder Oil Co., Inc.	KS	620-792-1203
Greeley	United Coop, Inc.	KS	785-867-2140
Greensburg	Volz Oil Co.	KS	620-723-2652
Grinnell	Co-Ag	KS	785-824-3359
Gypsum	Gypsum Oil Co.	KS	785-822-4424
Halstead	Farmers Coop Elevator Co.	KS	316-835-2261 or 800-280-6042
Harris (Garnett)	United Coop, Inc.	KS	785-448-6808
Haven	Mid Kansas Coop	KS	620-465-2292
Hays	Midland Marketing Coop	KS	785-628-3221
Hiawatha	AG Partners Coop	KS	785-742-2196
Hiawatha	Davies Oil Company, Inc.	KS	785-742-2081
Hill City	Turnbull Oil Co.	KS	785-434-4629
Herington	Vahshottz Oil	KS	785-258-2498
Holton	Knotty Pine Oil	KS	785-364-3711
Hoxie	Bainter Oil Service, Inc.	KS	785-675-3903
Hoxie	Co-Ag	KS	785-675-3516
Hoxie	Town & Country	KS	785-675-3265
Hutchinson	Bridgman Oil	KS	620-665-6811
Hutchinson	Farmers Coop (Distribution Center)	KS	
Hutchinson	Ramsey Propane	KS	620-662-3851
Hutchinson	Ramsey Oil Hutchinson	KS	620-662-8365
Independence	Chandler Oil LLC	KS	800-274-4720
Inman	Mid Kansas Coop	KS	620-585-6649
Iola	Hampel Oil	KS	620-365-3621
Iuka	Kanza Cooperative Assn.	KS	620-546-2231
Jetmore	Dodge City Coop	KS	620-357-6414
Kansas City	Hampel Oil	KS	913-321-0139
Kincaid	United Coop, Inc.	KS	620-439-5600
Kingman	Farmer's Coop Elevator	KS	800-525-7490
LaCygne	United Coop, Inc.	KS	913-757-4567
Lansing	Leavenworth County Coop	KS	913-727-1900 or 800-644-1901
Leroy	Epp Service	KS	316-799-2333
Leroy	Leroy Coop	KS	620-964-2225 or 888-964-2225
Lincolnville	Agri-Producers, Inc.	KS	620-732-3315
Lindsborg	Mid Kansas Coop	KS	785-227-3343
Longford	Reed Bulk Fuel Service	KS	785-388-2334
Lyons	Boroughs Oil Co.	KS	620-257-2091
Manhattan	Farmers Coop Association	KS	785-776-9467
Manhattan	Oppys Amoco Service	KS	785-776-9940
Marquette	Mid Kansas Coop	KS	785-546-2214
Marysville	Kramer Oil Co.	KS	785-562-2466

McPherson	Hassman Oil	KS	620-241-3237
McPherson	Mid Kansas Coop	KS	620-241-1885
Medicine Lodge	Dark Oil	KS	620-886-3766
Menlo	Co-Ag	KS	785-855-2256
Minneapolis	D&G Oil	KS	785-392-3031
Moline	Murphy Oil	KS	620-647-3585
Montezuma	ADM Collingwood	KS	620-846-2218
Montezuma	Dodge City Coop	KS	620-846-2231
Moran	Moran Mini Mart	KS	620-237-4245
Mound City	United Coop, Inc.	KS	913-795-2311
Moundridge	Mid Kansas Coop	KS	620-345-6328
Mound Valley	Bartlett Coop Assn.	KS	620-328-2121 or 888-328-2330
Ness City	Right Co-op	KS	800-232-7183
Nickerson	Farmers Coop	KS	800-861-3207
North Newton	Mid Kansas Coop	KS	316-283-1970
Norton	Norton County Coop Assn.	KS	785-877-5131
Nortonville	Ruralgas Co. Inc.	KS	913-886-6420
Oakley	Co Ag	KS	785-672-4371
Oakley	Mitten, Inc.	KS	785-672-3062
Olpe	Murphy Oil	KS	620-475-3449
Osage City	Haskins Conoco & Oil Co.	KS	785-528-3732
Osage City	Home Oil	KS	785-528-4132
Oswego	Bartlett Coop Assn.	KS	620-795-2113 or 877-795-2113
Ottawa	Ottawa Coop	KS	785-242-5170
Overland Park	Carter Petroleum Products, Inc.	KS	913-643-2300
Palmer	Peters Oil Co.	KS	785-692-4540
Parsons	Manners Oil Co.	KS	620-421-5819
Phillipsburg	Rangeland Co-op	KS	785-543-2114
Plainville	Midland Marketing Coop	KS	785-434-4842
Plainville	Turnbull Oil Co.	KS	785-434-4629
Pratt	Hampel Oil	KS	620-672-3743 or 877-479-3343
Quinter	Midwest Cooperative	KS	785-754-3461
Rexford	Co-Ag	KS	785-462-8642
Rush Center	Mid State Farmers Coop	KS	785-372-4239
Sabetha	Berwick Oil	KS	785-284-2227
Salina	Fuel Unlimited	KS	785-823-2331
Seneca	Nemaha County Coop	KS	785-336-6153
Sharon Springs	Wallace County Coop	KS	785-852-4279
Solomon	Klein Fuel Service	KS	785-655-3403
St. John	Hampel Oil	KS	620-549-3324
St. Mary's	Farmers Union Coop Bus. Assn.	KS	785-437-2985
Stockton	Farmers Union Mercantile	KS	785-425-6511
Stockton	Sunflower Supply	KS	785-425-6218
Sublette	Sublette Cooperative Inc.	KS	620-675-2287
Studley	Midwest Cooperative	KS	785-627-4315
Thayer	W-G Fertilizer	KS	620-839-5251
Topeka	Capitol City Oil, Inc.	KS	785-233-8008
Topeka	Haag/Decker Oil, LLC	KS	785-357-0270
Troy	Davies Oil Company, Inc.	KS	785-985-3553
Wakeeney	Midwest Cooperative	KS	785-743-2223
Wakefield	Mason Petroleum	KS	785-461-5684

Walton	Mid Kansas Coop	KS	620-837-3313
Wamego	Wamego Supply, Inc.	KS	785-456-7875
Waterville	Route 77 Corner Store	KS	785-363-2641
Whiting	Parallel Farms, Inc.	KS	785-873-3246
Wichita	Hampel Oil	KS	316-529-1162 or 800-530-5848
Winona	Co-Ag	KS	785-846-7471
Wright	Right Co-op	KS	620-227-8611
Yates Center	Woodson County Coop	KS	620-625-2123
Butler	MFA Oil Company	MO	660-679-5071
Drexel	Bartholomew Oil Co.	MO	816-657-2072
Harrisonville	MFA Oil Company	MO	816-884-4470
Jasper	MFA Oil Company	MO	417-394-2100
Nevada	MFA Oil Company	MO	417-667-3753
Savannah	Andrew Co. Oil	MO	816-324-5654
St. Joseph	MFA Oil Company	MO	816-238-0555
These are suppliers known to us, as of November 7, 2005. Other suppliers may exist that are not known to the Kansas Soybean Commission, and some suppliers may have dropped biodiesel from their product line. For more information, please contact the Kansas Soybean Commission at 800-328-7390.			

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Kansas Biodiesel On-Road Retailers at the Pump					
2% or Higher Blends Available					
Retailer	Address	City	State	Zip Code	Phone No.
Andale Farmer's Coop	219 N. Main	Andale	KS	67001	316-444-2141
Bird Express #203	1000 Main St.	Great Bend	KS	67530	620-792-7579
Bird Oil / Express	251 S. Main St.	Hoisington	KS	67544	620-653-2395
Bob's Inc.	604 Wisconsin	Cawker City	KS	67430	785-454-6219
Capital City Oil (B20 only)	4141 NW Lower Silver Lake Road	Topeka	KS	66618	785-233-8008
Coop Grain & Supply	512 E. D Street	Hillsboro	KS	67063	620-947-3917
Coop Grain & Supply	121 Santa Fe	Hillsboro	KS	67063	620-947-3917
Coop Grain & Supply	404 South 3rd	Marion	KS	66861	620-947-3917
Coop Grain & Supply	113 West Main	Lehigh	KS	67073	620-947-3917
Hillsboro Crop Production	121 Santa Fe	Hillsboro	KS	67063	620-947-3917
Hampel Oil	503 West St.	Iola	KS	66749	620-365-6321
Hampel Oil	921 N. Main	Pratt	KS	67124	620-672-3743 877-479-3343
Hampel Oil	3727 S. West St.	Wichita	KS	67217	316-529-1162 800-530-5848
Home Oil Services, Inc.	501 Main St.	Blue Rapids	KS	66411	800-794-0945
Kramer Oil	1330 E. River Road	Marysville	KS	66508	785-562-2466

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Retailer	Address	City	State	Zip Code	Phone No.		
Mid Kansas Coop	2114 W. Main St.	Castleton	KS	67501	620-459-6950		
Mid Kansas Coop	112 W. 2nd St.	Haven	KS	67543	620-465-2292		
Midland Marketing	8th & Oak	Hays	KS	67601	785-628-3061		
Midtown, Inc.	919 Morgan	Downs	KS	67437	785-454-6219		
Midwest Propane	430 E. Oak	Columbus	KS	66725	620-429-3098		
Mitten Truck Stop	E. Hwy 40 & I-70	Oakley	KS	67748	785-672-3062 Ext. 10		
LeRoy Coop	505 - 6th Street	LeRoy	KS	66857	620-964-2225 888-964-2225		
Nemaha County Coop	Hwy 63	Corning	KS	66417	785-736-6153		
Nemaha County Coop	223 E. Main St.	Seneca	KS	66538	785-336-6153		
Parallel Farms, Inc.	18648 286 Road	Whiting	KS	66552	785-873-3246		
Scott Co-op Association	410 E. 1st Street	Scott City	KS	67871	620-872-5823		
Route 77 Corner Store	129 W. Main St.	Waterville	KS	66548	785-363-2641		
Wallace County Coop	525 S. Main St.	Sharon Springs	KS	67758	785-852-4279		
Woodson County Coop	700 W. Rutledge	Yates Center	KS	63947	620-625-2123		

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These are the suppliers known to us, as of November 3, 2005. Other suppliers may exist that are not known to the Kansas Soybean Commission, and some suppliers may have dropped biodiesel from their product line. Various locations may be cardtrol only. For more information, please contact the Kansas Soybean Commission at 800-328-7390.

Kansas Biodiesel Fuel Usage Survey

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Blend	2004 Survey July 1, 2003 thru 30-Jun-04	B100 Equivalent	2005 Survey July1, 2004 thru 30-Jun-05	B100 Equivalent
Totals in Gallons				
B2	5,926,305	118,526	3,921,861	78,437
B5	141,248	7,562	2,109,619	105,481
B10			100,000	10,000
B20			18,000	3600
B100		110,005	378,524	378,524
Total B100		236,093		526,052
Returned surveys	55			50
Surveys sent out	137			175

revised 12-13-05

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B100 BIODIESEL SUPPLIERS FOR KANSAS FUEL RETAILERS

Retailer	City and/or State	Phone Number	Contact
Ag Environmental Products	Omaha, NE	800-247-1345	Steve Nogel
BioEnergy of Colorado	Denver, CO	303-292-9333	Monte Malone
Fausser Energy Resources	Lincoln, NE	800-541-1226	Deb Myres
Hampel Oil Company	Wichita, KS	316-529-1162	John McQuery
Lybarger Oil, Inc.	Garnett, KS	785-448-5512	Dave Lybarger
Mid-Kansas Cooperative	McPherson, KS	620-241-1885	Jim Amann
Producer's Coop	Girard, KS	620-724-4117	Kim Branard
Rocky Mountain Biodiesel	Berthoud, CO	303-809-3515	Greg Weeks
West Central Soy	Overland Park, KS	913-884-8521/ cell 913-484-8521	Gary Haer
World Energy	Houston, TX	832-615-7390	Martin Beirne

These are the suppliers known to us as of December 27, 2005. Other suppliers may exist that are not known to the Kansas Soybean Commission, and some listed may have dropped biodiesel from their product line.

Kansas Soybean Commission
 2930 SW Wanamaker Drive
 Topeka, KS 66614-4116
 800-328-7390



Environmental Impact in Kansas

Biodiesel is a clean burning fuel for diesel engines made from domestically produced, renewable oils such as soybean oil. Biodiesel has no sulfur or aromatic compounds and already meets the new Environmental Protection Agency (EPA) ultra low sulfur diesel fuel proposed for introduction in 2006. Biodiesel can be used in existing diesel engines without modification. Biodiesel burns substantially cleaner than petroleum based diesel fuel, and is a powerful option for improving our environment.

Biodiesel can also be blended with diesel fuel as a fuel additive or extender. Burning 2% biodiesel in the 600 million gallons of diesel fuel used in Kansas each year will have significant positive environmental impacts. Burning just a 2% biodiesel blend in Kansas diesel fuel will curtail harmful tailpipe emissions. Annually, it will:

- Reduce poisonous carbon monoxide emissions by more than 600 thousand pounds.
- Reduce ozone forming hydrocarbon emissions by almost 68 thousand pounds.
- Reduce hazardous diesel particulate emissions by almost 53 thousand pounds.
- Reduce acid-rain causing sulfur dioxide emissions by more than 53 thousand pounds.

In its recently released low-sulfur diesel ruling for 2006 and beyond, EPA also states that certain compounds in diesel exhaust called polycyclic organic matter (POM) can have significant negative effects on reproductive, developmental, immunological and endocrine (hormone) systems in both humans and wildlife. These POMs are found in diesel exhaust as gases as well as in deposits on particulate matter. EPA states that reducing particulate matter would reduce the health effects of harmful POM that ends up in lakes and streams—natural resources that are extremely important to Kansas. Not only does biodiesel reduce particulate matter as stated above, but burning just 2% biodiesel in Kansas would have the following additional impact on the 12 million gallons of diesel fuel it would replace:

- Reduce harmful and cancerous POM impacts to streams, wildlife and humans by more than 80% compared to diesel fuel.

Biodiesel has been appropriately characterized as "liquid solar energy." Biodiesel is produced from renewable sources grown and harvested each year such as soybeans in what experts call a closed loop carbon cycle—carbon dioxide is taken up by soybeans as they grow and is released back into the air when biodiesel is burned. In a joint study, the US Departments of Energy and Agriculture found biodiesel reduces Carbon Dioxide 78% over its entire life cycle compared to petrodiesel and has a positive energy balance of 3.2 to 1 (3.2 units of energy are produced for every one unit of energy needed for biodiesel production, while diesel is 0.83 to 1). Therefore, burning 2% biodiesel in Kansas would result in:

- Reducing Life Cycle Carbon Dioxide emissions more than 190 million pounds annually.
- Extending the fossil diesel supply almost four-fold for every gallon of diesel replaced by biodiesel.

Biodiesel Supplies Available To Distributors and Retailers No Charge

Biodiesel Brochure- Targeted to farmers, fuel distributors/suppliers and equipment dealers.

Non-Farmer Consumer Oriented Biodiesel Brochure- Describes the benefits of biodiesel.

Biodiesel Bill Stuffer- Double sided bill/invoice insert is designed to fit in a #9 envelope. Stuffer contains an open area for company/organization business stamp.

“Powered By Biodiesel” Bumper Sticker- 9”x 3” weather-sturdy sticker.

Horizontal-Size Soy Biodiesel Fuel Tank & Tanker Truck Stickers- 7”x 16” White background all-weather vinyl sticker. This sticker says, “Clean/Renewable/Domestically Produced Soy Biodiesel

Vertical-Size Biodiesel Vehicle/Tanker Sticker- 23” tall x 15” wide all weather vinyl biodiesel sticker. This four color sticker with darker background for white trucks and tanks. Sticker says, “Soy Biodiesel, My Farm, My Fuel.”

Retail Biodiesel Fuel Pump Stickers- These include B2, B5, B10 and B20 blends and B100

Biodiesel Counter Mat- 21”x 16” foam backed with Vynex surface

“Now Available-Soy Biodiesel” Indoor/Outdoor Banner- This 5’x 2’ banner has grommets at the four corners.

Biodiesel Tax Information Book- Compilation of the most current tax forms and updates on the new biodiesel blenders tax credit. Also, includes state forms.

Biodiesel Handlers Guide- 2005 handlers guide to storage, blending, handling and cold weather tips.

To receive a sample, order or additional information, please contact,
Dennis Hupe, Director of Field Services
Kansas Soybean Commission
800-328-7390

08-10-2005

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55-443

Chapter 55.--OIL AND GAS

Article 4.--PETROLEUM PRODUCTS INSPECTION

55-443. Penalties; appeal procedure. (a) It is a violation for any person to:

- (1) Act as or represent such person's self to be a technical representative without having a valid license issued by the Kansas department of agriculture;
- (2) hinder or obstruct in any way the secretary or any of the secretary's authorized agents in the performance of the secretary's official duties under the petroleum products inspection law;
- (3) failure to follow the applicable version of NIST Handbook as referenced in chapter 83 of the Kansas Statutes Annotated, and amendments thereto, or any rules and regulations adopted thereunder when installing, repairing, calibrating or testing a device;
- (4) failure to complete the testing or placing-in-service report in its entirety and to report the accurate description of the parts replaced, adjusted, reconditioned or work performed;
- (5) filing a false or fraudulent application or report to the secretary;
- (6) failure to pay all fees and penalties as prescribed by the petroleum products inspection law and the rules and regulations adopted and promulgated pursuant to the petroleum products inspection law;
- (7) refuse to keep and make available for examination by the Kansas department of agriculture all books, papers, and other information necessary for the enforcement of the petroleum products inspection law or chapter 83 of the Kansas Statutes Annotated, and amendments thereto;
- (8) failure to have any commercial dispensing device tested as required by the petroleum products inspection law or chapter 83 of the Kansas Statutes Annotated, and amendments thereto;
- (9) sell, offer or expose for sale any petroleum product which does not comply with the provisions of the petroleum products inspection law;
- (10) sell, use, remove, otherwise dispose of or fail to remove from the premises specified, any dispensing device, package or commodity contrary to the terms of any order issued by the secretary;
- (11) **represent that diesel fuel is or contains biodiesel fuel blend or otherwise to represent that diesel fuel is made from renewable resources, unless not less than 2% of the diesel fuel mixture is mono-alkyl esters derived from vegetable oil, recycled cooking oil or animal fat. Biodiesel fuel used in biodiesel fuel blends shall conform with specification D6751-02, issued March 2002, by the American society of testing and materials or a later version as adopted by rules and regulations of the secretary. If a retail petroleum marketer is alleged to have violated the provisions of this subsection, it shall be a defense, that the retail petroleum marketer relied in good faith upon the bill of lading; and**
- (12) violate any order issued by the secretary pursuant to chapter 83 of the Kansas Statutes Annotated, and amendments thereto.

(b) Any person who violates any provision of the petroleum products inspection law or any applicable provisions of chapter 83 of the Kansas Statutes Annotated, or amendments thereto, or any rules and regulations adopted thereunder, in addition to any other penalty provided by law, may incur a civil penalty imposed under subsection (c) in an amount, fixed by rules and regulations of the secretary, of not less than \$100 nor more than \$5,000 for each such violation and, in the case of a

continuing violation, every day such violation continues shall be deemed a separate violation.

(c) In determining the amount of the civil penalty, the following shall be taken into consideration: (1) The extent of harm caused by the violation; (2) the nature and persistence of the violation; (3) the length of time over which the violation occurs; (4) any corrective actions taken; and (5) any and all relevant circumstances.

(d) All civil penalties assessed shall be due and payable within 10 days after written notice of assessment is served on the person, unless a longer period of time is granted by the secretary. If a civil penalty is not paid within the applicable time period, the secretary may file a certified copy of the notice of assessment with the clerk of the district court in the county where the weighing and measuring device or dispensing device is located. The notice of assessment shall be enforced in the same manner as a judgment of the district court.

(e) No civil penalty shall be imposed pursuant to this section except upon the written order of the duly authorized agent of the secretary to the person who committed the violation or to the person whose agent or employee committed the violation. Such order shall state the violation, the penalty to be imposed and the right of the person to appeal to the secretary. Any such person, within 20 days after notification, may make written request to the secretary for a hearing in accordance with the provisions of the Kansas administrative procedure act. The secretary shall affirm, reverse or modify the order and shall specify the reasons therefor.

(f) Any person aggrieved by an order of the secretary made under this section may appeal such order to the district court in the manner provided by the act for judicial review and civil enforcement of agency actions.

(g) An appeal to the district court or to an appellate court shall not stay the payment of the civil penalty.

(h) Any civil penalty recovered pursuant to the provisions of this section or any penalty recovered under the consumer protection act for violations of this section, and amendments thereto, or any rules and regulations adopted thereunder, shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the weights and measures fee fund.

(i) This section shall be part of and supplemental to the petroleum products inspection act, article 4 of chapter 55 of the Kansas Statutes Annotated, and amendments thereto.

History: L. 1993, ch. 58, § 11; L. 1996, ch. 105, § 15; L. 2001, ch. 5, § 195; L. 2003, ch. 68, § 1; L. 2004, ch. 101, § 167; July 1.

75-3744a

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES Article 37.--DEPARTMENT OF ADMINISTRATION

75-3744a. Requirements for purchase of motor-vehicle fuels by state agencies. (a) As used in this section, "motor-vehicle fuels" has the meaning provided by K.S.A. 79-3401, and amendments thereto.

(b) All bulk motor-vehicle fuels purchased by any state agency, as defined in K.S.A. 75-3701, and amendments thereto, in each fiscal year for use in state-owned motor vehicles shall be motor-vehicle fuels blends containing at least 10% ethanol. No state agency shall spend more than ten cents per gallon more on fuel blends containing at least 10% ethanol than the current price per gallon of regular fuel on bulk motor vehicle fuel purchases.

(c) Where available under current state purchasing agreements, individual motor-vehicle fuel purchases for state-owned motor vehicles shall be of motor-vehicle fuels blends containing at least 10% ethanol. Individual motor vehicle fuel purchases for state-owned motor vehicles shall not be more than 10 cents per gallon more on fuel blends containing at least 10% ethanol than the current price per gallon of regular fuel.

(d) Where available, and as long as the price is no greater than 10 cents more per gallon than the price of diesel fuel, a 2% or higher blend of biodiesel must be purchased for use in state-owned diesel powered vehicles and equipment.

History: L. 2003, ch. 68, § 2; July 1.

Kansas Soybean Commission

Kenlon Johannes, Administrator

Requested information on other state legislature's support of biodiesel.

Report to the Kansas Legislature
Select Joint Committee on Energy
December 15, 2005

State Policy Concepts

- **Demand side policies:**
 - Requirements
 1. All diesel sold must contain biodiesel.
 2. State fleets & equipment must use biodiesel (Executive Order & legislative).
 - Financial Incentives
 1. Reimbursements for schools to use biodiesel.
 2. Excise/Sales Tax exemptions or reductions.
 - Petroleum Reduction/Renewable Portfolio Standards/Renewable Fuel Standards

State Policy Concepts

- **Supply side policies:**
 - Production Incentives
 - Tax credits for capital investments.
 - Producer Incentive Funds- per gallon grants/low - interest loan programs.
 - Blending, Distribution, Retailing Incentives
 - Tax credits for capital investments made in blending, storage, dispensing infrastructures.

State Policy Concepts

• General Initiatives

- Studies examining potential benefits associated with encouraging biodiesel production & use.
- Point of taxation, harmonize with federal point of taxation.
- State should recognize biodiesel standard D6751 – Kansas already has this recognition

Arkansas

- 10 cent/gallon grant to qualified biodiesel producers (located within Arkansas).
 - Limited to the first 5 million gallons of biodiesel produced annually, not to exceed 5 years.
- Income tax credit for "facilities and equipment" for biodiesel suppliers (wholesale or retailers that sell in bulk) of 5% of the cost of facilities and equipment. The credits may be carried forward 3 years.
- 50 cent/gallon state fuels tax credit for biodiesel suppliers for each gallon blended into undyed diesel fuel to make up to a B2; and that is used in trade or business.

Illinois

- Sales Tax Exemption.
 - Biodiesel blends between B1 and B10 are given a partial exemption of 20%. B100 and blends above B10 are totally exempt.
 - All exemptions on all fuels end December 31, 2013.
- Executive Order requires all diesel state vehicles to use biodiesel when practical. Directs Central Management Services to procure B2 for state fleets and to increase availability of B2 for flexible fuel fleet, including the establishment of state- operated B2 filling stations.
- Fuel Cost Differential Rebate. Owners of vehicles operating on a domestic renewable fuel are eligible to apply for a fuel cost differential rebate. Rebate program is applicable to fleets.

Iowa

- Department of Economic Development to provide an infrastructure cost-share incentive program for E85 and biodiesel.
- Governor's Executive Order to increase state agency energy efficiency and use of renewables. Directs agencies to ensure all bulk diesel bought is at least B5 by 2007; B10 by 2008; B20 by 2010.
- Tax credits for cooperative's producing "value-added agricultural products".
 - Credit may be claimed up to 10 percent of a new investment that involves the creation of new jobs.
 - May elect to receive a refund of all or a portion of the unused tax credit.
- Biodiesel Fuel Revolving Fund.
 - Money received from the sale of Energy Policy Act (EPA) credits.
 - Administered by Iowa Department of Transportation (IDOT).
 - The fund shall be used by IDOT for the purchase of biodiesel fuel for use in IDOT vehicles. Vehicles using biodiesel will have an informational sticker so stating.

Minnesota

- B2 requirement: Effective 09/29/2005.
- Sales Tax exemption for purchase of equipment used to blend biodiesel.
- Feasibility study examining biodiesel use as home/industrial heating fuel.

Missouri

- MO Qualified Biodiesel Producer Incentive Fund.
 - Administered by Department of Agriculture.
 - Qualified producers eligible to receive \$.30/gallon grant for the first 15 million gallons produced annually (up to 60 months).
 - Producers can receive \$.10/gallon grant up to 15 million gallons of biodiesel produced beyond their initial 15 million gallons produced in a fiscal year.
 - All feedstock must be US produced and 51% must come from MO.
- School district reimbursement for incremental cost of biodiesel (B20 or higher).
- Self-Sustaining Biodiesel Revolving Fund.
 - Administered by the Department of Natural Resources & is available to all state fleets.
 - The fund pays the incremental cost of biodiesel.

Nebraska

- Governor did an executive order in May. The order directs Transportation Services Bureau and Department of Roads to take all reasonable actions necessary to investigate ways to strengthen infrastructure for increasing availability of E85 & B2 for state fleets. Also directs state employees to utilize E85 & B2 whenever "practical". "Practical" refers to reasonableness of obtaining E85 and B2.

North Dakota

- Interest rate buy down program for biodiesel production facilities.
- Income tax credit for fuel suppliers who make biodiesel blends of B5 and higher.
 - The value of the credit is 5 cents per gallon.
 - The credit is not "refundable" and unused credits can be carried forward up to 5 years.
- Income tax credit for a fuel seller for costs incurred to modify or add infrastructure to sell biodiesel blends of at least B2.
 - The value of the credit is 10% per year for 5 years of the direct costs associated with modification or installation of infrastructure.
 - The credit is not "refundable" and may be carried forward 5 years.

Oklahoma

- Income tax credit for biodiesel production facilities
 - 20 cents/gallon.
 - Credits can be accrued for facilities wholly or partially on-line before 12/31/2007.
 - Credits may be claimed for 60 months.
 - Beginning January 1, 2012, a biodiesel facility shall receive a 7.5 cents/gallon credit for new production for a period not to exceed 36 consecutive months.

South Dakota

- Contractors' Excise Tax-Sales Tax refund/credit.
 - Provides for a refund/credit to be taken on taxes imposed or paid for "new agriculture processing facilities" and for sales & use taxes imposed/paid on purchases of equipment for new agriculture processing facilities.

Texas

- Production grant program. Producers pay a 3.2 cents per gallon (cpg) tax into a fund. State matches by a multiplier of 5.25 cpg. The state issues grants of 20 cpg back to the plants. The net grant would equal 16.8 cpg. The producer is entitled to receive the 20 cpg for 10 years after the beginning of production. Grants are limited to 18 million gallons per year per producer per registered plant (\$3.6 million).
- The biodiesel portion of a blend is exempt from state excise tax provided the finished product is clearly identified as a blend.

For further information

- Kansas Soybean Commission
<http://www.kansassoybeans.org>
Phone: 877-KS-SOYBEAN (577-6923)
- National Biodiesel Board
<http://www.biodiesel.org>
Phone: 888-BIODIESEL (246-3437)

3-32 35

Kansas Legislature Select Joint Committee on Energy
January 6, 2006 Hearing

The following information was requested from Kenlon Johannes, Administrator of the Kansas Soybean Commission, by the committee on the cost of producing biodiesel and an analysis of how that might effect a per gallon plant subsidy in order for a biodiesel plant in Kansas, to be competitive with plants in surrounding states. Additional information is included on the BTU content of biodiesel and diesel.

Cost of production of biodiesel:

The rule of thumb for cost of production of a gallon of biodiesel would be to take the **cost of the feedstock delivered** (soybean oil for example) to the biodiesel plant **times 7.5, which is the number of pounds of soybean oil in a gallon**, and then add the **cost of production and distribution costs**.

The **five-year average cost for crude degummed soybean oil** (central Illinois) was \$.2188 per pound. Since feedstock pretreatment and transportation cost also needs to be included, about \$.0325 per pound should be added to the average price, making the **final feedstock cost about \$.2513 per pound**.

The **cost of production could range from \$.65 to \$.90 per gallon** of B100 (100% biodiesel), depending upon the feedstock being used. Higher free fatty acid (FFA) feedstock, such as used cooking oils would be at the higher end of the cost of production scale. **Distribution and blending charges could be about \$.30 per gallon** for B100.

Using the costs above for soybean oil, the following formula would be used:

$$$.2513 \times 7.5 + $.65 + $.30 = \$2.83 \text{ per gallon of B100}$$

Beef tallow is cheaper than soybean oil (about 6-8 cents per pound) but the processing cost is on the higher, \$.90 per gallon side of the scale and it does not yield as well.

Calculating the size of an incentive for biodiesel plants in Kansas:

There is a great concern and we are hearing that biodiesel production facilities will not be located in Kansas if we are not competitive in our ability to assist this emerging industry with incentives similar to those given in surrounding states. The highly successful ethanol industry initially received a 15 cent per gallon subsidy in Kansas. The committee should consider the following when analyzing a per gallon biodiesel plant incentive in Kansas. It would make logical sense that in order to justify a production incentive similar to Missouri's 30 cents per gallon, we could use the energy content of the fuels as a basis for comparison. The BTU content for biodiesel is about 118,300 BTUs per gallon, while the BTU content for ethanol is about 76,100 BTUs per gallon. This means that biodiesel has 1.55 times more BTUs per gallon than ethanol. If the ethanol incentive started out at \$.15 per gallon, one could argue that on an equivalent BTU basis, initial biodiesel incentives could be \$.2325 per gallon (\$.15 X 1.55); to compete with Missouri a \$.30 per gallon subsidy would be required.

**Conclusions and Recommendations in brief of the
Kansas Legislature Select Joint Committee on Energy as related to biodiesel**

The Committee recommends introduction of bills that would:

- Establish in statute the Kansas Energy Policy Advisory Group to conduct energy research and to develop and update a state energy plan and make long-term energy policy recommendations to the Governor and Legislature. The Committee anticipates that \$500,000 from the State General Fund would be necessary to establish the Council in FY 2007.
- Provide for a 12 year property tax exemption for rail terminals dedicated to transportation of biofuels and provide for KDFRA financing of those facilities. (SB 390)
- Require that all gasoline sold in Kansas contain ten percent ethanol and that all diesel fuel sold in the state contain at least two percent biodiesel. (SB 387)
- Provide a five-year property tax exemption to Kansas producers of biodiesel for property acquired or constructed after December 31, 2005 if that property is used regularly in the production of biodiesel. In addition, provide a two-year property tax exemption to Kansas retailers of biodiesel for property acquired after December 31, 2005 to sell diesel fuel containing biodiesel. (SB 393)
- Provide for a sales tax exemption for equipment purchased to enable a facility to sell diesel fuel containing biodiesel. (SB 391)
- Provide an income tax credit for direct costs Incurred after December 1, 2005 to adapt or add equipment to retrofit and existing facility or adapt a new facility in Kansas to produce or blend diesel fuel containing biodiesel. (SB 389)
- Provide for a maximum \$0.30 per gallon incentive for biodiesel producers by instituting a program parallel to that currently In place for ethanol producers (K.S.A. 79-34,161, et seq.). The maximum available through the program would be \$875,000 per quarter beginning July 1, 2007. (SB 388)
- Provide for a property tax credit for Kansas based biofuels mixing facilities. The credit would be the same as that currently available for fueling stations under K.S.A. 79-32,201. (SB 389)

Create in statute a Joint Committee on Energy as a permanent Committee that would be specifically charged with reviewing state agency energy expenditures and energy conservation measures and making other energy policy recommendations to the Legislature.

In addition, the committee recommends introduction of resolutions that would:

- Encourage the Kansas Turnpike Authority to include in its contracts with operators of service stations on the Turnpike a requirement for the sale of biofuels.

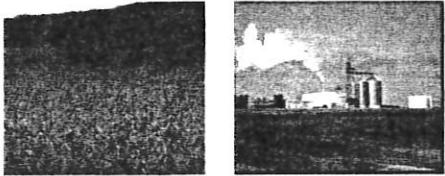
Proposed Kansas Biodiesel Plant start up dates and capacities

Location	Annual Capacity Million Gallons/Year	Estimated startup date based on calendar year
Lawrence	30	4 th quarter of 2007
Hiawatha	30	3 rd quarter of 2007
Goodland	10-12	2 nd quarter of 2007
St. John	30	15-18 months from return of study
North Central Kansas		
South Central Kansas	30	3 rd quarter of 2007

These are the proposed plants known to us as of January 23, 2006. Other proposed plants may exist that are not known to the Kansas Soybean Commission and some listed may have proposed plans.

Revised January 24, 2006

Macroeconomic Impacts of Biodiesel Production from Soybeans in Kansas



Kansas Biodiesel Feedstock Resource

- Potential to produce ~285 million gallons from:
 - ❖ soybeans (~126 million gallons)
 - ❖ sunflowers (~19 million gallons)
 - ❖ inedible tallow (~140 million gallons)
- Total biodiesel feedstock conversion would meet 25% of Kansas' 2000 distillate consumption
- 2% of Kansas's distillate consumption (lubricity component) could be met with 10% of total soybean production



Kansas Distillate Fuel Consumption

- 11 economic sectors of distillate consumption (million gallons per year, MGY)
 - ❖ on and off-highway (359 and 24 MGY, respectively)
 - ❖ residential, commercial, and industrial
 - ❖ farm (142), railroad (53), vessel bunkering
 - ❖ oil, utility (8.4), military



Soybean Production in Kansas

➤ 70% of total soybean production in eastern 1/3 of state



➤ Kansas's major urban areas (Wichita, Topeka, and Kansas City) with the demand and infrastructure for biodiesel use located with this areas or immediately adjacent to it

- ❖ KDOT, KTA
- ❖ municipal bus systems
- ❖ public works fleets
- ❖ school buses



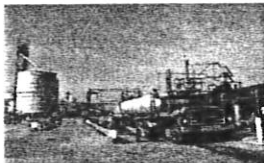
Macroeconomic Assessment of Biodiesel Production



An estimate of how value added in a specific economic sector (biodiesel production) spreads (ripples) through other economic sectors (manufacturing, agriculture, government, etc.) and the effect on all other public and private entities/sectors

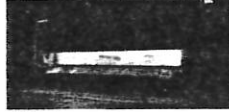
Macroeconomic Assessment of Biodiesel Production

Specifically, estimate local and area-based economic impacts associated with constructing and operating a soybean crushing facility and biodiesel production plant in one particular county



Macroeconomic Assessment and Impacts

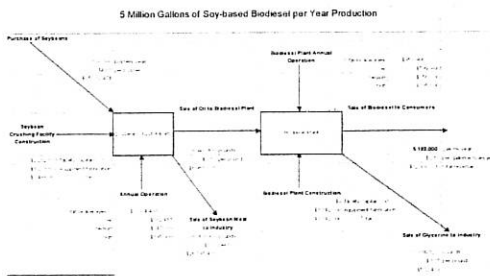
- Economic impacts measured as:
 - ❖ increased employment
 - ❖ sales of product(s)
 - ❖ income
 - ❖ tax revenues
 - ❖ school enrollment
- Economic impacts measured as direct, indirect, or induced



Macroeconomic Assessment and Impacts

- Direct economic impacts*
- value from ongoing operations of the biodiesel facility (day-to-day operations) that stimulates additional economic activity in the immediate area
- Indirect economic impacts*
- local businesses buying and selling to one another - increase in demand for one company's product stimulates demand for the suppliers of input to that firm
- Induced economic impacts*
- ongoing impacts associated with household spending of the income earned that spreads the impacts of new economic activity broadly throughout the economy
(household purchases → grocery store → producers/merchandisers)

Input-Output Flow Diagrams for 5 Million Gallon per Year Facility



Summary

5 MGY Crush Facility & Biodiesel Plant

- ❖ 183 on-going jobs worth ~\$51 million to the local (county) economy



24 MGY Crush Facility & Biodiesel Plant

- ❖ 572 on-going jobs worth ~\$172 million to the local (county) economy



3.40 45

Kansas Soybean Commission
January 30, 2006
Report to the Kansas Legislature

Chairman Johnson and members of the Kansas House Agriculture Committee my name is Bob Haselwood; I am a soybean farmer from Berryton and a current member of the Kansas Soybean Commission.

The Soybean Commission unlike the Corn, Wheat and Grain Sorghum Commissions is part of a federal checkoff program. The Kansas Soybean Commission has been designated as the Qualified State Soybean Board for the state of Kansas by the United Soybean Board (USB), the national checkoff board authorized by United States Department of Agriculture under federal legislation approved by Congress. The Soybean Commission collects one-half of one percent of the net value of a soybean sale of a producer collected by the first purchasers in the state of Kansas. We then send one-half of the funds we collect to the United Soybean Board for national and international projects. Nine soybean farmers volunteer their time to serve on the Soybean Commission.

The materials we included with the Kansas Department of Agriculture's handouts provide some detail on the programs and projects we funded in FY2005.

The number one funding priority of the Soybean Commission is research, primarily production research. We look at breeding, production, and environmental programs that focus on the most economical and efficient cropping systems with minimal impact on the environment including best management practices, crop protection and pest management.

Our research program also funds a limited amount of new uses research. Developing environmentally friendly products from soybean derivatives helps our farmers and the environment.

Our state international market development effort, separate from USB's extensive program, is done through the International Grains Program at Kansas State University. Projects such as promoting Kansas-grown soybeans overseas or hosting trade teams to expand the foreign markets for value-added products are within this program area.

Our consumer education program includes promoting the acceptance of new uses for soybeans such as biodiesel and educating the public on the ease of preparing healthful foods with soy. The consumer information category is also responsible for our school education programs.

Our producer communication program deals with the dissemination of information to producers and industry. Weekly radio farm reports, newsletters, and attendance at farm shows and district meetings are all included in this category. We strive to get the latest most relevant information to our producers.

Our administration budget includes the cost of collections, audits, elections, and other board expenses. The Soybean Commission has an outside, accredited accounting firm audit its financial records each year. This ensures checkoff dollars are being spent according to acceptable efficient business practices. We are also periodically audited by the United Soybean Board for compliance to the national checkoff.

As stated earlier one-half of the soybean checkoff collection goes to the United Soybean Board. This sixty-four member, farmer run board, allocates our national share along with those of twenty-five other soybean producing states. The Kansas Soybean Commission has three representatives on USB. USB funds international market development, production and utilization research, consumer information programs, including assisting the National Biodiesel Board in its efforts to commercialize biodiesel, and producer communications projects.

We are please to give you this brief synopsis of our program. Additional information and details on programs and specific projects are available at your request.

Thank you.

Bob Haselwood
Berryton, Kansas

Kansas Soybean Commission Office
2930 SW Wanamaker Drive
Topeka, KS 66614-4116
785-271-1040



KANSAS

DEPARTMENT OF AGRICULTURE
ADRIAN J. POLANSKY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

Grain Commodity Commissions Election Update

to

the House Agriculture Committee

Kansas Department of Agriculture

January 30, 2006

This year, growers in the western third of Kansas are preparing to elect commodity commission representatives. Candidates are campaigning for seats on the state's five commodity commissions: corn, grain sorghum, soybeans, sunflowers and wheat. The districts affected by this year's election are:

District one: Cheyenne, Decatur, Graham, Norton, Rawlins, Sheridan, Sherman and Thomas counties.

District two: Gove, Greeley, Lane, Logan, Ness, Scott, Trego, Wallace and Wichita counties.

District three: Clark, Finney, Ford, Grant, Gray, Hamilton, Haskell, Hodgeman, Kearney, Meade, Morton, Seward, Stanton and Stevens counties.

Candidates for the Kansas Corn Commission

District one: Brian Baalman farms corn in Sheridan County.

District two: Harvey Heier farms wheat and corn in Gove County.

District three: Greg Stone farms corn, alfalfa, potatoes, beans and wheat in Finney County.

Candidates for the Kansas Grain Sorghum Commission

District one: Richard Calliham farm grain sorghum in Thomas County

District two: Greg Graff farms grain sorghum in Wichita County.

District three: Boyd Funk farms grain sorghum in Finney County.

Candidates for the Kansas Soybean Commission

District one, two, three: Kurt Maurath farms corn, soybeans, wheat and sunflowers in Logan County.

Candidates for the Kansas Sunflower Commission

No candidates are running this election cycle.

Candidates for the Kansas Wheat Commission

District one: Mike Brown farms wheat, corn and milo on a dryland farm in Thomas County.

District two: Ron Suppes farms wheat, corn and sorghum in Lane County.

District three: Larry Kepley farms wheat, dryland corn, grain sorghum and sunflowers in Grant County

Voting Process

Registered voters receive an official ballot in January. Voters have until March 1 to send their ballot to the Kansas Department of Agriculture. After votes are cast, an official counting day will occur in March. The names of candidates-elect will be announced after that day and the winners will take office April 1. Elected commissioners serve three-year terms.

The secretary of agriculture or his designee is the final arbiter in any disputes that arise out of the election procedure. In the event of a tie between two candidates for the same commodity commissioner seat, an occurrence of chance will be used to determine the winner of that seat.

Vacant Seat

When a seat on a given commodity commission becomes vacant, it is the responsibility of that commission to appoint a new member to fill the vacancy.

Who Can Participate?

Any grower who appropriately registers to vote may vote in an election for any commissioner representing that commodity and district where the grower maintains an official residence. Anyone who is a resident of Kansas, has reached age 18 before the next election and has been actively engaged in growing corn, grain sorghum, soybeans, sunflowers or wheat within the preceding three years qualifies as a grower.

THE STATE OF wheat



KANSAS WHEAT
COMMISSION
Kansas grows. Kansas good.

KANSAS WHEAT | MAKING HEADLINES ANNUAL REPORT 2005

Greetings from your KWC Chairman;

Another year has quickly gone by. As with other things in our lives, change has occurred at KWC. The changes are more evolutionary than revolutionary.

We have three new commissioners. Rich Randall from Scott City and Doug Keesling from Chase are now serving as appointed commissioners. Steve Clanton from Minneapolis was elected from District 4, north central Kansas.

Another change concerned a cooperative agreement between the KWC and the Kansas Association of Wheat Growers. David Frey, who chose to move on to other challenges, had worked at the KWC for 28 years in various capacities. His long-term knowledge and experience will be missed. To finish the year, assistant administrator Dusti Fritz was appointed interim administrator. Dusti was hired as CEO of KWC and KAWG.

In spite of change, the KWC has kept the programs that make a difference in the world of wheat. The KWC was honored with a special plaque for the contributions toward the new International Grains Program building. The IGP continues to bring in and educate potential customers from around the world. Numerous international customers are greeted, educated and taken to sites in Kansas by the KWC. Nigeria was the largest international market for Kansas wheat this year, importing more than 80 million bushels of U.S. HRW wheat. Nigeria was followed by Mexico, with 65.3 million bushels, and Japan, with 38.2 million bushels. Peru was the fourth largest market, importing 22 million bushels. Israel rounded out the top five, purchasing 18.7 million bushels of U.S. HRW wheat. Iraq ranked number six, importing nearly 18 million bushels. KWC hosted a dinner meeting for the first Iraqi buying delegation in many years.

Ongoing and new research was a high priority. The range of projects funded was full spectrum. Some topics of research included no-till wheat production, Clearfield wheat, HRW wheat breeding, HW wheat breeding, pest resistance, the wheat genome project, cancer suppression by wheat products, and dual purpose wheats. This list is not all-inclusive, but it demonstrates some of the research you are involved in.

On the domestic side, some of the KWC's activities were Bake and Take Day, Best of Breads and the ever-popular recipe books. KWC is a member of Wheat Foods Council and worked through this national organization to promote domestic consumption of wheat. KWC has been involved with Ag in the Classroom and the KARL program. There is also a committed group of volunteers that comprise the Speak for Wheat Spokespersons. They helped educate a number of groups in Kansas.

Kansas is a member of three additional national wheat organizations: U.S. Wheat Associates, National Association of Wheat Growers and the Wheat Export Trade Education Committee. Ron Suppes was elected Secretary-Treasurer of U.S. Wheat Associates this year. It has been nearly 10 years since Kansas has had an officer on the USW board. Kansas has been trying, for a number of years, to get these three national organizations consolidated into one, with one staff and one address. Just as the Kansas wheat farmer has had to become more efficient, it is my view that the national organizations should also become more efficient. This has yet to occur.

There is much more to say about what the KWC does. The scope is great enough to include you more directly. Besides your checkoff, you can be engaged in KWC activities. You could even consider running for election to the commission!

One final comment...all of us owe a big "thank you" to the staff. Their tasks are big, but their dedication to the tasks, great. The staff has the knowledge, energy and drive to serve the Kansas wheat producer very well.

It is my honor to serve for you.

Tom Morton, wheat producer



THE STATE OF WHEAT

News from the
KANSAS WHEAT COMMISSION

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Julie Winsor

OFFICE MANAGER *Julie Owens*



Nigeria is top HRW market

White pan bread is a staple food in the Nigerian market. It is sold throughout streetside markets in downtown Lagos.

In July 2004, a USW trade team traveled to South Africa and Nigeria. The group visited flour mills and grain companies throughout the regions to discuss current harvest information, world wheat outlook and Hard White wheat. The team visited Flour Mills of Nigeria, Plc., the largest capacity flour mill in Nigeria.

Nigeria was the top international market for U.S. Hard Red Winter wheat in marketing year 2005, importing a record 80.9 million bushels. The Nigerian market of primarily pan white bread is a good fit for the proven bread wheats produced in the plains of the United States. The per capita consumption of flour in Nigeria is approximately 40 pounds and on the rise.

Nigeria's road to becoming a consistent leading customer of U.S. HRW has gone through obstacles of both politics and economics. The non-democratic government of Nigeria placed a ban on wheat imports January 1, 1987. The ban was lifted in 1993 after nearly decimating the Nigerian flour milling industry. Prior to the wheat import ban, Nigeria annually imported in excess of 55 million bushels per year. The U.S. share was 95%.

Nigeria's wheat imports are expected to approach 92 million bushels per year, with U.S. market share about 90% to 95%. Nigeria is now recognized as the most important market in Sub-Saharan Africa for U.S. wheat exports, with a total milling capacity in the region of 220 million bushels annually. Nigeria is the world's largest importer of HRW and the fourth largest importer of Soft Red Winter.

KWC project coordinator Justin Gilpin traveled to Nigeria and South Africa with a U.S. Wheat Associates trade team. The group visited flour mills and grain companies throughout the regions to discuss current harvest information, world wheat outlook and Hard White wheat. Another main emphasis was to recognize the amount of U.S. wheat that had been purchased throughout the region. The visits gave the team an opportunity to express their thanks for their valued business and build on existing relationships. Continued market development activities allow U.S. wheat to remain a priority and on the forefront of wheat buyers' available choices.

FINANCIAL REPORT
JULY 1, 2004 - JUNE 30, 2005

Beginning Balance	\$ 3,795,147
Wheat Assessments Collected	\$ 3,101,819
Other Income (sales of promotional items, operating activities, reimbursed expenses, etc.)	\$ 40,255
Interest Income	\$ 66,901
	<u>\$ 7,004,122</u>
Refunds to Producers	-\$ 232,897
FY 2005 Expenditures	-\$ 3,574,633
Ending Balance	<u>\$ 3,196,592</u>

During FY 2005, the total wheat assessment collected was \$3,101,819. Refunds were 7.5% of the total wheat assessment, or \$232,897. KWC earned \$66,901 in interest by investing in CDs. Expenditures for the fiscal year totaled \$3,574,633. International market development accounts for 39% of the Kansas Wheat Commission budget. Many of these activities are conducted by partnering with U.S. Wheat Associates (USW). Kansas is the largest state contributor to this national organization.

U.S. Wheat Associates is a "cooperator" with the U.S. Government, meaning that the organization works with the U.S. Department of Agriculture's Foreign Agricultural Services to create, expand and maintain overseas markets for U.S. wheat. USW presents a yearly marketing strategy and demonstrates state wheat commission support in order to qualify for federal funds, leveraging each dollar of producer financial support into more funding from various USDA market development programs. This year USDA provided a 2.6 match to producer funds.

Japanese millers learn about Kansas wheat

A USW-sponsored Japanese delegation was specifically aimed at reviewing new regulations concerning pesticide use and exports of U.S. wheat into Japan.



Additionally, a group of four Japanese flour milling representatives traveled to Kansas. Japan is one of the largest dependable cash wheat customers of the United States. The team visited locations in Manhattan, Kan., including USDA Grain Marketing Lab, KSU Wheat Breeding, KSU Wheat Quality Lab, American Institute of Baking, International Grains Program and Kansas Wheat Commission. An evening visit to a grain elevator and a wheat farm completed the Kansas portion of their tour. While in the United States, the millers also spent time in Minnesota, Montana and Oregon.

The current program in Japan involves working with the Japanese Government Food Agency, which is directly responsible for buying most of Japan's wheat, and with the flour milling industry, which is the first end user and is directly responsible for supplying good quality flour for baking, confectionery and noodle industries.

Mexican wheat buyers view harvest in western Kansas



The Altex Wheat Trade Mission 2005, composed of private sector flourmill executives who are actively engaged in making wheat import decisions for their

six flourmills in Mexico, was in Kansas during wheat harvest. The observations and discussions with those involved in the U.S. wheat industry were mutually beneficial in developing stronger trade relationships between Mexico and the United States.

The Altex group ranks among the top wheat milling companies in Mexico. It is a leader in the industry and is generally regarded as one of the most dynamic and progressive milling companies in the country. This buying company has grown steadily since its inception in 1991 with annual wheat imports close to 25 million bushels.

The goals of their trip to the U.S. were to get better acquainted with how the U.S. wheat marketing system operates and clarify any questions or concerns that the team members had on direct sales via rail or water, wheat grading procedures, and to look at transportation and logistics alternatives from a variety of locations within the United States.

The U.S. market share in Mexico has steadily increased from 64% in MY 2001 to 83% in MY 2005. Nearly two-thirds of the U.S. wheat exports to Mexico are Hard Red Winter wheat, the class that is grown in Kansas. Mexican wheat consumption totals 238.8 million bushels per year.

Egyptian trade minister hosted

Looking for ways to increase sales to Egypt, U.S. Wheat Associates welcomed the two officials most directly involved in government wheat trade to the United States.

In cooperation with the USDA Foreign Agricultural Service, USW sponsored a week long trip to the U.S. by Dr. Hassan Khedr, Minister of the Ministry of Supply and Internal Trade, and Mr. Mahmoud A. Hamid, Vice Chairman of the General Authority for Supply Commodities. (Mr. Hamid is the official government wheat buyer for GASC.) Accompanied by USW regional vice president Dick Prior, the team met with the wheat industry, traders, and government officials in Washington D.C., Kansas, and Portland, Oregon, exploring possibilities for expanding wheat trade.

"Thank you, and thank American farmers, for helping us provide our population with wheat," Dr. Khedr told U.S. Secretary of Agriculture Mike Johanns during a lengthy meeting at USDA offices. "We look forward to expanding cooperation."

Secretary Johanns, in turn, thanked the Egyptians for their business in the past and, looking forward to future relations, told them that "I could not be more optimistic."

Summary of Commercial Sales for 2004/05 (Marketing year final)

	HRW Bushels
1 Nigeria	80,934,026
2 Mexico	65,270,443
3 Japan	38,223,847
4 Peru	22,056,883
5 Israel.....	18,716,935
6 Iraq	17,985,747
7 Cuba	17,463,995
8 Colombia	15,454,148
9 Egypt.....	11,713,700
10 Korea Republic	11,184,600

Iraqi officials checking out Kansas wheat

Members of the Grain Board of Iraq listened to a presentation on Supply and Demand, given by KWC assistant administrator Dusti Fritz, at the IGP Grain Purchasing Short Course.



In one of the most encouraging signs so far of increased potential for U.S. wheat sales to Iraq, highly influential members of the Grain Board of Iraq participated in the two-week Grain Purchasing Short Course at the International Grains Program.

Mr. Khaleel Assi Khadhum, Director Manager and Chairman of Board, Grain Board of Iraq, expressed his preference for U.S. Hard White wheat at a press conference. In reference to U.S. Hard White wheat, Khaleel Assi Khadhum said, "We ask for large quantities when available from the U.S. in the future."

The Iraq Grain Board is the only company in Iraq that imports wheat and rice for processing for the Iraqi citizens. Annually, they import 110 to 147 million bushels of wheat.

"One half of our needs will come from U.S. wheat. Perhaps we will buy more; that depends on the quality and price," Khaleel Assi Khadhum said.

In Iraq, imports are blended with locally produced red wheat to produce milled flour for breads for the 19 million people in Iraq. They import two kinds of wheat — red and white. Through blending, the Grain Board is able to provide the citizens with white flour for white bread.

"Thank you for your purchases of Hard Red Winter wheat and for future purchases of Hard White wheat," said Rice County wheat producer Doug Keesling. "Thank you for coming to Kansas."

Khaleel Assi Khadhum, Director Manager and Chairman of Board, Grain Board of Iraq, and H e s h a m Hassanein, USW Cairo, discuss Iraq's preference for U.S. Hard White wheat with



KSU Senior Scientist Bob Bennett, Kansas Farm Bureau President Steve Baccus and Kansas Wheat Commissioner Doug Keesling.

Cuba buying Kansas wheat

Lt. Governor John Moore announced the sale of 25,000 metric tons of Kansas Hard Red Winter wheat to Cuba. Though wheat has been flowing to Cuba since the passage of the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSREEA), no shipment had ever been sole source verified to Kansas. Joining the Lt. Governor in this announcement were David Frey of the KWC and John McLelland, Manager, Garden City Coop. The Lt. Governor partnered with KWC, Cargill and DeBruce Grain to make this one-of-a-kind sale possible. The specifications were that the shipment be identity-preserved from Kansas. Forty percent came from Garden City, 40 percent from Wichita and 20 percent from Salina and delivery took place in November. The estimated value of the shipment was \$3.2 to \$3.8 million.

Colombian President of ALIM Attends Winter Wheat Tour



This year's Wheat Quality Council annual winter wheat tour included a special guest, Mr. Diego Sierra, from Fedemol in Colombia. Sierra was the acting President for the Latin American Millers Association, and he joined the participants of the 2005 winter wheat tour through Kansas, Nebraska and Oklahoma. Sierra was accompanied by Miguel Galdos from the USW office in Santiago, Chile.

"Mr. Sierra has enjoyed his trip to Kansas very much," commented Galdos. "He

has learned many things not only about the wheat that is exported to his region but also about the farmers who are growing that wheat." While in Kansas, Sierra was able to visit the new world-class International Grains Program and the wheat breeding facilities on the KSU campus.

Korean team interested in Kansas wheat

Flour mill representatives from South Korea visited Kansas as part of a USW-sponsored trade team. The delegation members were from the major flour milling companies and represented the vast majority of the country's wheat milling capacity.

While in Kansas, the team visited the USDA Grain Marketing Research Center, American Institute of Baking, KSU Department of Grain Science and the International Grains Program. The team also visited a country elevator, saw the beginning of Kansas' fall harvest, and saw wheat fields being prepared for the upcoming planting season.

"This special team has interest in visiting Kansas and learning more about the potential of Hard White Wheat (HW)," commented Dr. Won Bang Koh, Korea Country Director for USW. "The HW variety Trego is specifically the topic of discussion concerning this market."

The Korean milling market imports approximately 88 million bushels of milling wheat annually. Of this market, the United States has about 55% market share, with Australia being the largest competitor and other supplier. Australia is currently the largest supplier of HW, and HW is demanded by the Korea noodle market. This demand has led to the strong interest in the U.S. Hard White variety, Trego.



Local Wheat Farmer Elected to USWA Board

Kansas Wheat Commissioner Ron Suppes, Dighton, was elected Secretary-Treasurer of USW. Suppes, who was elected to the KWC Board in 2003, represents District 2, west central Kansas. In his acceptance speech, Suppes stated that a kernel of wheat is truly amazing. "The strength of a kernel of

wheat has brought all of us to this table," Suppes said. "It is my belief that I can make a difference, and with wheat being a part of my livelihood I should do my part to do just that." He plans "to approach everything with an open mind" and looks "forward to representing my fellow wheat producers."

Kepley keeps waving winter wheat's banner

Larry Kepley, Ulysses wheat producer, attended the South Asian Wheat Buyers Conference and the South Asian Technical Conference to highlight Hard White wheat and collect information about where it is used in Asia. About 23 different countries were represented at the conferences. Topics included world supply and demand outlooks, ocean freight outlooks, economics and overviews of the six classes of U.S. wheat. Kepley said he will continue to be a spokesman to other producers. He said he hopes to convey the message that there may be an opportunity to get better returns with Hard White wheat. He said he will continue to work with producers, local grain elevators and international grain companies to be sure quality Hard White wheat moves to the baker, eventually.

Farm groups warn of looming world food crisis

USW and KWC urged Congress to consider ways to help the more than 842 million people worldwide who do not have enough to eat. The food aid budget shortfall is estimated at \$824 million, said Ellen Levinson, executive director of the Coalition for Food Aid. Despite the shortfall, the government has neither sought supplemental funding for food aid nor dipped into the Bill Emerson Humanitarian Trust emergency stockpiles, Levinson said.

"This is something we can do as the U.S.," said David Frey, KWC administrator. "It's one way, one very real way, to help people in the world, and rather inexpensive compared to other types of foreign aid." USW issued a position on food aid, stating, "We support the use of wheat held in the Emerson Trust, with condition, to respond to dire and immediate humanitarian needs."

U.S. Chief Agricultural Trade Negotiator Ambassador Visits Kansas

Part of U.S. Chief Agricultural Trade Negotiator Ambassador Allen F. Johnson's message to Kansas producers was that a growing global economy creates new opportunities to access new customers and rapidly growing markets overseas. Ninety-six percent of the world's consumers live outside of the United States. Realizing the need to further expand markets around the world, the United States has negotiated free trade agreements with 11 countries in two years and is working on agreements with ten more countries. In the case of the Morocco agreement, new access was created for U.S. wheat that could lead to a five-fold increase in U.S. wheat exports over recent levels.



Ambassador Allen F. Johnson, U.S. chief agriculture negotiator, Office of the U.S. Trade Representative, was in Kansas to get first-hand knowledge from Kansas producers.



IGP building dedicated to wheat producers



KSU President John Wefald unveiled a plaque at the new International Grains Program facility, declaring that the building was dedicated to Kansas wheat producers.

The International Grains Program recently held its largest flour milling short course in history. The class of more than 35 participants was the first class to attend the course in the new IGP facility. Assisting in the success of IGP, the Kansas Wheat Commission was the largest supporter of IGP building.

While at the short course, participants from ten nations spent two weeks gaining exposure to various aspects of the wheat industry, technical issues of flour milling and the uses of U.S. wheat classes. The goal of the course is to provide a better understanding of U.S. wheat and its role in their milling processes. KWC assistant administrator Dusti Fritz presented the global wheat situation to the group.

"The excitement of the new facility played a big role in the overwhelming interest in this year's course," commented Mark Fowler, IGP Flour Milling Specialist. "This marks the beginning a strong marketing tool for Kansas wheat producers for years to come."

Grain nutrition here to stay, speaker says

Lunch and Learn Series

Bite into bread program

Twenty-seven "Speak for Wheat" spokespersons from Syracuse to Kansas City educated all ages about wheat, nutrition and baking. "Spokespersons are purveyors of great information," said Cindy Falk, Kansas Wheat Commission, who directs the program.

Thousands of youth heard about wheat during Ag Day Pizza parties, American Royal, Day on the Farm and Kansas Day activities. A *Bushel of Fun with Wheat*, *Wheat—From Field to Table* and the "Wheat Link" game were hits.

Nutrition presentations included *Grains for Nutrition and Health*, *Defining Low Carb Lingo* and *Strategies for Overcoming Childhood Obesity*. Audiences included dietetic associations, Family and Consumer Science teachers, childcare providers and dietary managers.

Demonstrations were given at the state fair, Topeka Farm Show, 3-i Show, Extension's Lunch and Learn and to 4-H groups. The *Goodness of Grains*, *Healthy Baking with Kids* and *Toss, Turn, and Twist the Tortilla* are small samples of the programs.

Additionally, spokespersons assisted with exhibits at the state fair, School Nurse Conference and health fairs. Three hundred "It's the Calories, Not the Carbs" books were distributed at the State Libraries Conference.

Spokespersons have impacted thousands of people this year. For instance, one young boy wrote, "Dear Wheat Lady, I learned a lot because of you. I learned that Kansas usually plants Hard Red Winter and wheat most of the time comes in bushels."



KWC Spokespersons Steve Korthanke and Betty Kandt present wheat foods information to a group of fourth grade students at the Ag Day Pizza Party at the Agriculture Hall of Fame in Bonner Springs, Kan.

Connecting Wheat Farmers to Bakers in New York and New Jersey

Kansas wheat farmers, wheat researchers, millers and marketing specialists recently met with bakers in the large markets of New York City and New Jersey.

KSU wheat breeder Dr. Joe Martin spoke to instructors and students about the agronomic characteristics and baking properties of Hard White wheat at the Artisan Baking Center, Long Island City, New York. The training center prepares the job seeker for entry-level employment in either the baking or culinary trades.



Bagatelle Bakery receives Best of Breads in Kansas Award



Naji and Claire Toubia, of Bagatelle Bakery in Wichita, were presented with the Kansas Wheat Commission's 2005 Best of Breads in Kansas Award in May. This award is an opportunity to recognize extraordinary bakeries in the "Wheat State," to instill an appreciation for high quality baked products and to increase the volume of bread consumed.

KWC booth receives award

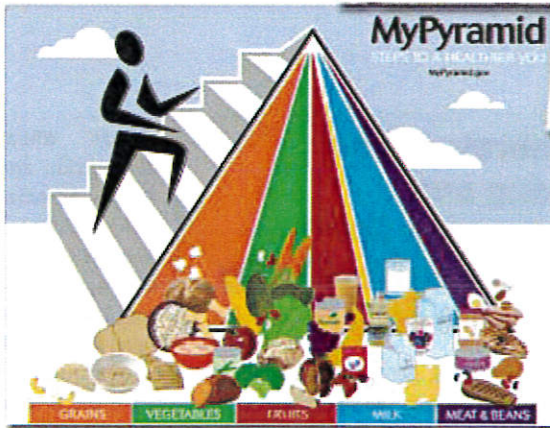


The KWC booth received the Outstanding Exhibitor Award, 2004 Reserve Grand Champion, Inside Exhibitor Single Booth at the Kansas State Fair in Hutchinson, Kan. KWC domestic marketing specialist Cindy Falk presented Kansas Governor Kathleen Sebelius with a "FLOUR POWER: It's the Calories, Not the Carbs," t-shirt in front of the KWC booth at the fair.

Grain foods vindicated! No surprise to millers, producers

Yes, you can eat grain foods and stay a healthy weight. More importantly, grain foods should be the foundation of your diet. And the U.S. government continues to back this up with the release of the 2005 Dietary Guidelines for Americans. After months of research, scientific discussions, public comments and testimony, the end result reaffirmed what grain producers have known for more than 100 years. Grain foods **are** good for you. The guidelines again place grain foods at the center of a healthy diet. The debate is over. It comes as no surprise to producers, grain foods are vindicated!

Personalizing the Pyramid



New food guide image stresses value of various foods, grains

The new, personalized food guide image introduced by the U.S. Department of Agriculture indicates grains — particularly whole grains — are still a valued and important step toward healthier living.

Despite the low-carb craze of the last few years, the six color bands on the new “MyPyramid” image represent the importance of eating a variety of carbohydrate-rich foods to achieve good health. This verifies “fad” diets that recommend cutting out one type of food are not an option for healthy living. Grains are represented on MyPyramid by the wide, orange band.

‘It’s the Calories, Not the Carbs’ Sets the Record Straight on Dieting

The myths and truths of carbohydrates

It’s the CALORIES Not the Carbs

- ★ Lose weight and maintain it FOR LIFE!
- ★ Increase energy for body and mind!
- ★ Help prevent chronic disease!
- ★ Eat foods you love!

Glenn A. Gaesser, Ph.D.
Karin Kratina, Ph.D., R.D.

The KWC purchased 300 copies of the Wheat Foods Council’s book “It’s the Calories, Not the Carbs” to distribute to key libraries across Kansas. Each book bears an inside label that acknowledges the KWC, lists KWC’s Web site address, and tells readers the book is available for purchase at www.wheatfoods.org. The Kansas Cooperative Extension Service also purchased more than 100 books. The books were distributed to each county office in Kansas.

New Wheat Foods Council President to enhance Council programs

The Board of Directors of the Wheat Foods Council hired Marcia Scheideman MS, RD, CFCS, as president. Scheideman has a strong background in university cooperative extension, nutrition communications, education, and as a spokesperson. Scheideman holds a bachelor’s degree in home economics education from Carnegie-Mellon University, a master’s degree in education from Syracuse University, and is a registered dietitian.



Marcia Scheideman
MS, RD, CFCS

The Council launched a new program titled, “Influencing the Influencers.” Funding is directed to promote grain food nutrition messages with health and nutrition thought-leaders. The WFC is highly credible with this group, and the program included scientific research and promotion of the book, “It’s the Calories, Not the Carbs.” The Council continued to work with the media and public policy leaders, but its primary focus was on providing information and resources to the nutrition and health communities. Wheat producers, by way of the Wheat Foods Council, are continuing to make the case for the health benefits of wheat foods, as the pendulum begins to swing away from the anti-carb position to the next trend.

Quantity Yeast Breads From Start To Finish



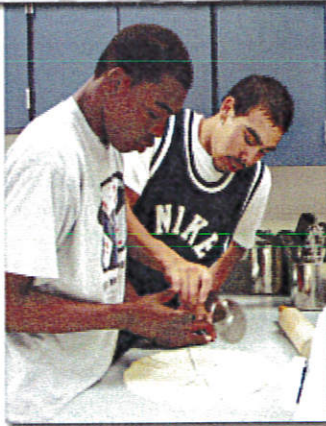
To encourage made-from-scratch baking in Kansas schools, the Child Nutrition and Wellness team at the Kansas State Department of Education and the KWC partnered to design and produce the instructional video, "Quantity Yeast Breads from Start to Finish." To benefit a larger number of people, the KWC also offered the video to retail bakeries and restaurants to use with their personnel.

Recipe Book Debuts at State Fair

The KWC's annual recipe book, debuted at the Kansas State Fair. In addition to recipes, the booklet included information about wheat classes and products, the goodness of grains, and how the wheat producer's penny is used. The recipes were winners in the Kansas Festival of Breads baking contest. The recipes are also available at www.kswheat.com.



High Yield Baking: Science from Field to Table



Students at Olathe North High School make crescent rolls. Olathe District Schools test piloted baking labs, which were developed by Sharon Davis, FACS Education Consultant, and sponsored by the Kansas Wheat Commission. The labs are posted at www.kswheat.com for teachers to access.

Celebrate Home Baking and Community Spirit on Bake and Take Day

took place on March 26, 2005. In celebration of the event, participants baked products from wheat and took them to a neighbor, friend or relative. In addition, participants received a free recipe book and were entered into a drawing to win one of several prizes, donated by Toastmaster. Nearly 200 youth and adults participated in Bake and Take Day this year. Stories are listed on the Web site, www.bakeandtakeday.org.

Kansas Wheat Commission and Kansas Association of Wheat Growers (KAWG) once again sponsored Bake and Take Day, which

KSU Students Connect with Grain Foods

KWC's Cindy Falk and Clabber Girl Marketing Director Tom Payne, Home Baking Association's Vice-President of Marketing, arrange a set for the HBA's video, "A Baker's Dozen: Tips for Success." The video was targeted toward teachers and volunteers who teach young people kitchen skills for cooking and baking.

KWC conducted a taste test of a new pizza and breadstick mix made from stoneground whole white wheat flour during the food, fitness and fun health fair at KSU. The "I Can't Believe It's Whole Grain" pizza crust and breadstick mix, marketed by Farmer Direct Foods in Atchison, Kan., is grown, packaged and sold by farmers. Julie Gibbs, KSU graduate student from Scott City, was one of 73 students that took time during their lunch breaks to sample the breadsticks and give feedback. The students' top choice was the breadstick made with 100% whole white wheat flour.



New Video — A Baker's Dozen: Tips for Success

Research project suggests that wheat varieties exhibit a range of cancer-preventing traits

New research, partially funded by Kansas wheat producers through the KWC, suggests that the antioxidant components of wheat may help prevent colorectal cancer tumors. The research from scientists at Kansas State University and Wichita State University focuses on an antioxidant class of orthophenolics found in wheat bran that appear to block the formation of mutagenic compounds. As part of the initial study, researchers found that diets containing the same level of wheat bran, but different levels of antioxidants, exhibited dramatically different capacity to suppress tumor development. In separate studies, researchers at the two universities found

that intestinal and colon tumors may be prevented in mice when fed diets supplemented with plant-derived, purified orthophenolics.

"Just think, eating a couple of slices of whole wheat toast each day or adding some wheat bran when shaping a hamburger may be all that it takes to lessen the risks of colorectal cancer," said Ron Madl, a researcher at KSU and director of KSU's Bioprocessing and Industrial Value-Added Center. "Findings in the study are encouraging, and researchers are now continuing the studies, using other animal model systems to test whether these components of wheat can suppress mammary and prostate cancer development."

EPA registers Spinosad for stored grain protection

The United States Environmental Protection Agency (EPA) issued a registration for the use of spinosad, as a stored grain and seed protectant on commodities including wheat, corn, rice, oats, sorghum/milo and barley. The product was developed and manufactured by Dow AgroSciences LLC; however, Kansas Wheat Commission is proud to have supported work since 1999 led by Dr. Bhadriraju Subramanyam at Kansas State University, which has confirmed the usefulness of this alternative pesticide for wheat storage.

Laboratory and field studies conducted by Dr. Subramanyam indicated that spinosad was very effective against lesser grain borers, rice weevils, Indian meal moth, red flour beetles and saw-toothed grain beetles and several other stored-product insects. This product appears to be a suitable replacement to the organophosphate grain protectants used on wheat and other grains. Dr. Subramanyam's latest research found spinosad to be effective in Kansas farm bins for a period of six months or more. Tests done by collaborators of Dr. Subramanyam at Oklahoma State University and Purdue University found spinosad to be effective in suppressing stored-grain insects for a period of two years.

U.S. Consumers Accept Genetically Modified Wheat

KWC and KSU conducted research to measure consumer attitudes about genetic modifications in the foods we eat. A survey was mailed to a sample of 1,000 homes in the Kansas City metropolitan area. The response rate was approximately 36%.

Two thirds (65%) of respondents characterized themselves as having little or no knowledge about genetically modified foods prior to receiving the survey. Only five percent indicated that they knew quite a lot about GM foods.

When asked to characterize their attitude to GM food, 16% characterized their attitude as positive or very positive prior to receiving the survey. After reading the survey information, 24% indicated that their attitude was positive or very positive.

K-State, KWC part of global effort to tackle wheat genome sequencing

The Kansas Wheat Commission and Kansas State University began the effort to get the wheat genome sequenced. Eversole Associates is working to position wheat as the next major crop species for sequencing by ensuring that the community has the resources necessary for successful completion of the wheat genome sequencing project and by securing funding from various international and domestic sources for the sequencing of the wheat genome. Efforts at KSU have continually developed varieties with superior agronomical and end-use properties. However, according to Kellye Eversole, President of Eversole Associates, without a sequenced wheat genome the wheat industry will not have the scientific foundation necessary to drive the discoveries that will fuel growth and sustain profitability in wheat production and marketing. The sequence of the wheat genome will give wheat breeders the fundamental information necessary to revolutionize the wheat industry. Wheat genomics research offers us the greatest potential to increase the value and demand for wheat, thereby increasing grower income. Genomics gives scientists the tools needed to understand entire organisms, such as wheat. Genomic sequencing has proven to be the most comprehensive route to gene discovery and to understanding the function of all genes. Once economically important traits are elucidated, new varieties can be developed that will enable growers to get more income from the market.

Wheat Genome Sequencing Could Boost Production

When asked how they thought genetic modification affected food safety, only 18% believed that its impact would be negative or very negative. Twenty-seven percent responded that the impact would be neutral, while 33% indicated that they did not know. Results were similar and highly correlated when respondents were asked their opinion about the impact of GM on the environment.

Respondents were asked if they would continue to purchase the bread they usually buy if they discovered that it contained GM wheat. Results indicate that a majority of consumers would accept GM wheat based products. Thirty percent of respondents indicated they would continue to buy the same bread if it contained GM wheat, while an additional 38% would probably continue to buy it. Only seven percent indicated they would not buy bread containing GM wheat.

Don't just grow it; promote it

Morton helps world know why Kansas is the Wheat State

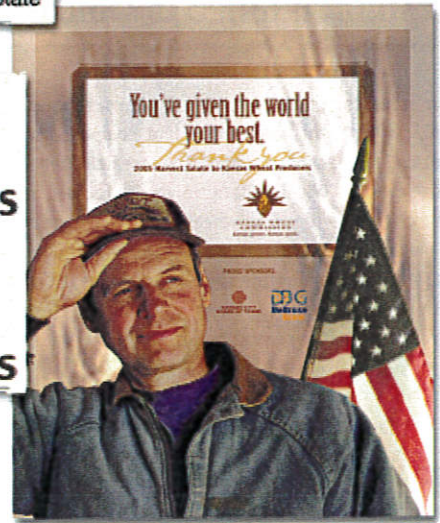
Speaking with one voice



Wheat orgs. join forces

Jerry McReynolds, President of the Kansas Association of Wheat Growers, and Tom Morton, Chairman of the Kansas Wheat Commission, signed a Cooperative Agreement between the two Kansas wheat organizations, with an effective date of July 1, 2005. The Agreement is to provide more efficient services to Kansas wheat producers in many areas of endeavor, including market development, research, legislative, education and information distribution. The Cooperative Agreement made note of the complementary nature of the purposes, goals and missions of the two groups. The KAWG works to implement favorable government policy and to develop and train leadership for the wheat industry. The mission of the KWC is to increase wheat producer productivity and profitability through research, education and domestic and international market development.

Harvest Salute Recognizes Kansas Wheat Producers



The KWC, in conjunction with sponsors Kansas City Board of Trade and DeBruce Grain, conducted the fourth annual "Harvest Salute to Kansas Wheat Producers."

The Harvest Salute was designed to recognize the contributions of Kansas wheat producers to local and global economies. The Harvest Salute conveyed recognition of this vital contribution, as well as appreciation for the enduring commitment of thousands of Kansas wheat producers.

The campaign appeared in industry publications, carrying the message "You've given the world your best. Thank you." Radio announcements also aired currently and continued through harvest in conjunction with remote and grain report broadcasts. Additionally, more than 350 elevator sites promoted the campaign in their local areas through prominently displayed posters, as well as by providing their customers with a special gift as they brought in their wheat.

Two Kansas Wheat Commissioners re-elected; one newly elected

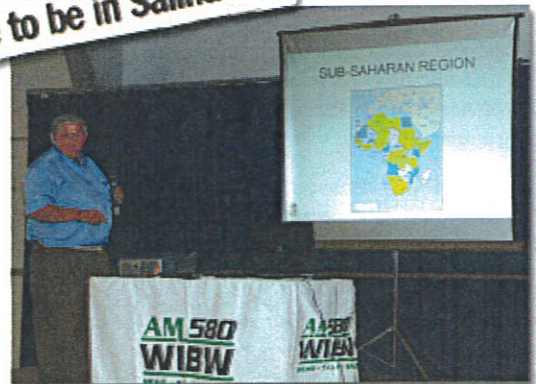
In 2005, two Commissioners were re-elected, and there were three new faces on the Commission.

Re-elected to the KWC were Barton County farmer Dean Stoskopf of Hoisington, and Sumner County producer, Tom Morton

of Oxford. The newly elected Commissioner was Steve Clanton, who farms near Minneapolis in Ottawa County.

Richard Randall, of Scott City, was appointed by the board to represent the three western districts of the state. Rice County wheat producer Doug Keesling was appointed to represent the three central districts of Kansas.

Wheat production profitability conference to be in Salina



USW Milling Consultant Jim McKenna addressed a group of wheat producers about the Sub-Sahara African region at the WIBW Wheat Profit Wake-up Seminar, held in Salina. USW visits Lagos, Nigeria approximately every five weeks to help maintain and grow this important Hard Red Winter wheat market.

Wheat foods highlighted at Flour Power 5K



Research shows athletes need complex carbohydrates for energy



The KWC and KSU's Health and Nutrition Society sponsored the first annual Flour Power 5-K Run/Walk to highlight research by Dr. Mark Haub, which demonstrated athletes need complex carbohydrates for energy and to fuel working muscles.

The race was an opportunity for amateur athletes from around the area to compete for cash prizes and awards, provided by Cereal Food Processors, Horizon Milling, ADM Milling and Bartlett Milling. Food was provided by Quizno's of Manhattan.

The overall top male winner was Vincent Kiprop, who finished the race in 15 minutes, two seconds. The overall top female winner was Robin Blanton, who completed the race in 18 minutes, 33 seconds.

Following the race, a short press conference and awards ceremony was held. Marcia Scheideman, President of the Wheat Foods Council, discussed the Council's role in promoting grain foods and the health benefits of grains.

Dr. Haub presented his research, which studied the effects of heart rate, perceived exertion and amount of work on cyclists, triathletes, and track athletes on both grain-based diets and low-carbohydrate diets. During the same high-intensity exercise, the exercise felt less difficult and heart rates were lower on the grain-based diet. The grain-based diet allowed the athletes to train at a higher workload than the low-carbohydrate diet.

Austra Skujyte, 2004 Olympic Heptathlon Silver Medalist, served as the spokesperson for the race. Skujyte signed posters at the event and presented the awards to the race winners. The event was held only one week after Skujyte set the world record in the women's decathlon. As a spokesperson, Skujyte worked with the KWC to promote grain-based foods as an essential part of successful athlete's diet.

Market goals still elusive for white wheat

Summits to discuss what future holds for new class of grain

A tri-state effort by the Colorado Wheat Administrative Committee, Nebraska Wheat Board and Kansas Wheat Commission resulted in meetings focused on Hard White (HW) wheat in Colby, Kan. and Guymon, Okla. The intent of the meetings was to bring producers, grain handlers, wheat breeders, flour millers (both U.S. and international) and wheat buyers together in the same room for a discussion on the future of HW in the United States.

The meeting began with presentations by international flour millers from Mexico and China. Both expressed their interest in HW and how it would fit into their markets. The international guests explained how HW would have an advantage versus HRW if there was a critical supply so that the United States would be able to deliver it year round.

The main message heard from the grain trade concerning HW, is the lack of supply and planted acres in the Great Plains. Most on the panel agreed that a critical mass is needed for the United States to be a serious supplier of HW. Although opinions varied on what would be needed to be considered "critical mass," the point was made that there must be enough to negate risk associ-

ated with handling and dedicating bin space as well as making this class of wheat more marketable for the grain trade.

Kansas State University's International Grains Program, teamed with U.S. Wheat Associates, to hold a Hard White Wheat Export Contracting Conference and Trade Show. When it comes to Hard White wheat production in the United States, two key ingredients still missing are a consistent supply and a liquid market, according to speakers at the conference.

Despite overseas buyers' strong interest in Hard White wheat for such products as noodles, tortillas and breads, the United States continues to produce much more Hard Red Winter and other types of wheat than it does Hard White wheat, said Mark Fowler, IGP miller and conference coordinator.

Kansas producers have taken the lead on HW with a large portion of the production grown in Kansas and neighboring plains states. Taking the lead down an untraveled road with this new class of wheat has had its challenges, but persistence of the Kansas wheat producer to improve the industry continues forward.



Hard White Wheat Production at Crossroads K-State IGP conference highlights issues



Kansas Soybean Commission FY 2005 Marketing Plan

The mission of the Kansas Soybean Commission is improving the profitability of Kansas's soybean producers. The Commissioners have identified the following priorities to work toward that mission:

1. Breeding/Production/Environmental Programs focusing on the most economical/efficient cropping systems with minimal impact on the environment including best management practices and crop protection/pest management; replacement of existing controls/seed treatments.
2. Animal/Human Nutrition studies that will increase the utilization of soybeans in the livestock feeding industry and new and innovative uses of soybeans as vital components in human nutrition.
3. Value-Added Projects developing and commercializing competitive industrial uses for soybeans including private entity cooperation.
4. Marketing Extension Program including extensive educational training of soybean pricing, crop disappearance/market share, crop insurance options, yield protection, farm program considerations and options in marketing available to Kansas soybean producers.
5. International market development with a focus on utilizing Kansas's soybeans.

In addition the Soybean Commission through its own work and through a contract with the Kansas Soybean Association promotes the nutritional benefits of using soybean products to consumers and because of its benefits to the environment, energy security and the farm economy, promotes the use of soy biodiesel as an alternative to diesel fuel. It also informs Kansas' soybean producers of their activities through producer communications efforts and participates in Industry Relations programs both state and nationally.

The Commission directly funds the following programs to reach their mission:

1. Kansas State University research and outreach:
 - Extension and Applied Research
 - Southeast Kansas Extension Education
 - Water Savings from Crop Residues
 - Biology and Management of Stem Borer
 - Soybean Aphid Management
 - Irrigated Cropping Systems to Reduce Groundwater Depletion
 - Genetic Engineering of the Soybean
 - Germplasm Development of the Soybean
2. Pittsburg State University research on:
 - Treatments for Charcoal and Phytophthora Rot
3. North Central Regional Research Program
4. Greenbush School Education Program
5. Ag in the Classroom

6. FACS grant program
7. Consumer Awareness Media Program
8. Biodiesel Advertising
 - Kansas State Football Network
 - Others to be determined
9. National Biodiesel Board, Membership and State Regulatory Project
10. USB Funded BPI Program
11. Producer Radio and Print Outreach
 - WIBW radio
 - KRVN radio
 - KKOW radio
 - KFEQ radio
 - KFRM radio
 - Soynotes* newsletter
 - Straight Rows* newsletter
 - Farm Talk* magazine
 - Others to be determined
12. Kansas Soybean Expo
13. No-till education including No-till On the Plains organization
14. Field Days, Farm/ Trade Shows, Crop Tours
15. Kansas State University International Grains Program
16. ASA/ USB WISHH Program
17. USB cooperative funding for Soybean Genomics effort
18. Soymeal Information Center
19. Collection, meeting, administration and audit procedures
20. Program and administrative work by the Kansas Soybean Association
(Attached projects including budgets for contracted and direct spending)

Kansas Soybean Commission
FY 2005 Checkoff Budget Expenses

Approved 04-07-2004

Number	Project	KSA Contract	Project costs	
			KSC Direct	KSC Number
111	International Market Development	\$2,000	\$49,672	1000's
111	International Grains Program Equipment	\$0	\$150,000	1000's
211	Research Program	\$500	\$342,157	2000's
311	Consumer Edible Implementation	\$1,000	\$1,250	3300
321	Consumer Trade Shows (Edible)	\$1,500	\$4,800	3010
322	Consumer Store Promotions	\$0	\$0	
323	Collateral Material	\$1,200	\$3,600	3020
324	Volunteer Promoters	\$0	\$0	
325	Consumer Edible Advertising	\$0	\$0	3031
326	Youth Education Program	\$2,000	\$33,100	3140-50-60
327	Consumer Awareness Media	\$0	\$18,000	3211
328	FACS Program	\$600	\$3,000	3180
351	Biodiesel Development	\$9,000	\$31,460	3500's
355	Biodiesel Consumer Advertising	\$0	\$5,500	3501
361	Industrial Market Development	\$1,000	\$3,750	3600-1
411	Public Relations	\$5,200	\$500	4200
421	First Purchaser Relations	\$4,000	\$7,900	41-42-4400
431	Economic Development	\$800	\$600	4200
441	National State Regional Coordination	\$10,000	\$4,612	4300
442	BPI Project Management	\$0	\$0	3500's
511	Producer Programs Implementation	\$1,500	\$500	5100
521	Soy Notes	\$0	\$12,000	5200
531	Field Days & Crop Tours	\$1,600	\$5,000	5300
535	Yield Contest	\$250	\$2,000	5350
541	Leadership Development	\$5,000	\$3,500	5400
551	Expo	\$600	\$15,000	5500
561	Farm Trade Shows	\$4,000	\$11,317	5300
571	Producer Media Outreach	\$0	\$26,000	5600
611	Checkoff Administration	\$2,500	\$68,050	6000's
821	Staff and office costs \$298,750 X 90%	\$268,875	\$0	
	821 costs are spread over all the other projects			
Totals		\$323,125	\$803,268	
			\$1,126,393	

**Kansas Soybean Commission
FY 2005 Funding Worksheet**

Last revised February 20, 2004

#	PI	Proposal	Requested	Funded		
1	Brooker	Charcoal Rot	\$32,000	\$32,000	Brooker	
2	Schapaugh	Germplasm Development	\$200,000	\$200,000	Schapaugh	
3	Kilgore	SE Education	\$11,180	\$11,180	Kilgore	
4	Schlegel	Irrigated Cropping Systems	\$8,000	\$8,000	Schlegel	
5	Klocke	Water Savings	\$10,050	\$10,050	Klocke	
6	Reese	Soybean Aphid	\$23,157	\$23,157	Reese	
7	Trick	Genetic Engineering	\$56,469	\$56,469	Trick	
8	Buschman	Stem Borer	\$25,901	\$25,901	Buschman	New
9	Herr	Strip Tillage	\$30,000		Herr	New
10	Michaud	Sunflower/ Stem Borer	\$12,400		Michaud	New
12	Howard	International Grains Program	\$36,000	\$36,000	Howard	
15	Wang	Hydrolysis of Carbs	\$27,510		Wang	New
16	Takemoto	Isoflavone Content	\$10,000		Takemoto	New
17	Madl	World Food Center	\$50,000	\$10,000	Madl	New
18	Erickson	Remediation with Esters	\$29,616		Erickson	New
21	Fjell	Applied Research	\$4,000	\$4,000	Fjell	
22	Lindley	No-Till on the Plains	\$10,000	\$10,000	Lindley	
23	Oplinger	Ag in the Classroom	\$25,000	\$15,000	Oplinger	
24	Brooker	Greenbush	\$15,000	\$15,000	Brooker	
25	Dhuyvetter	Soybean Basis	\$9,300		Dhuyvetter	New
26	KSC/KSA	State Programs	\$502,930	\$502,930	KSC/KSA	
	Wright	NCSRP	\$50,000	\$50,000	Wright	
27	Howard	IGP Building	\$322,671	\$150,000	Howard	New
	USB	Genomics	\$10,000	\$10,000	USB	New

\$1,511,184 \$1,169,687

Totals

Requested Funded

FY 2004 carryover	\$861,990
FY 2005 income	\$1,006,250
Total funds available	\$1,868,240
Projects funded	\$1,169,687
FY 2005 carryover	\$698,553

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SOY NOTES

For the Kansas Soybean Farmer

Summer 2005

News from the Kansas Soybean Commission

USDA and Soybean Checkoff Put Rust Game Plan Into Action

This growing season, fields will be monitored for soybean rust and positive confirmations will be loaded into a Web-based database that will allow farmers and researchers to track the progress of the disease.

With the possibility of a new opponent in the field this year, USDA and the soybean checkoff have recognized that it's going to take teamwork and a strategic game plan to beat soybean rust. A key to minimizing the impact of a rust infestation in the United States will be careful monitoring of the spread of rust. Several USDA agencies have partnered with the soybean checkoff, the American Soybean Association, and other key organizations to develop a national plan for monitoring soybean rust.

"In recent months, our soybean checkoff has taken a lead role with USDA's Agricultural Research Service in uniting the entire research community to develop a coordinated research plan for addressing rust in the U.S.," said Jim Sallstrom, chair of the United Soybean Board's Production Committee and a soybean farmer from Winthrop, Minn. "As part of that plan, the soybean checkoff is currently working with USDA's

Animal & Plant Health Inspection Service, university extensions and other organizations to continue developing a system to track the spread of the disease in the United States."

The USDA rust plan is actually a federal-, state- and industry-coordinated framework for surveillance, reporting, prediction and management of soybean rust for the 2005 growing season. It includes a monitoring network, a Web site designed to provide rust information and forecasts, criteria for fungicide application and predictive modeling of aerial transport of rust spores.

USDA experts have recommended that all soybean-producing states establish sentinel plots and regularly monitor the plots for soybean rust.

In the South, some of these plots could be planted ahead of normal planting dates to allow producers and decision makers some reaction time if rust is detected nearby. Mobile teams of rust identification experts will investigate initial reports of rust in each state and seek laboratory positive or negative confirmation.

Positive confirmations of rust will be entered into a Web-based database that will allow farmers and researchers to track the progress of soybean rust disease. The USDA rust Web site, www.usda.gov/soybeanrust, features maps that illustrate the daily spread of rust throughout the country. The Web site rust-tracking maps should provide a rust warning for farmers and help them decide on when to apply fungicides.

If rust is in the area and a farmer decides to spray, USDA has set the following guidelines for fungicide use.

Apply the first application at or soon after first flower. Plan at least two applications with at least 14 to 20 days between applications and ensure that the fungicide penetrates the canopy. According to soybean rust expert Monte Miles, with USDA-ARS, it is important to know the differences between a curative fungicide and a protectant fungicide and to also know which fungicides are available in each state. All the fungicides registered or on the Emergency Exemption request can be used in a protectant application, but only a few have curative properties. Fungicides are expected to cost between \$10 and \$24 per acre per application.

Overall, the goal of the plan is to provide effective decision support for managing soybean rust. Although the checkoff began research to identify genetic sources of resistance to rust a few years ago, it will likely be several more years before rust resistant varieties are commercially available. According to Miles, farmers should continue to use agronomic practices that return top yields, but be aware of the spread of rust, follow the fungicide guidelines and, most importantly, have a management plan.

"Through the help of our checkoff, U.S. farmers will manage rust," said Sallstrom. "With the rust diagnostic tools available and USDA's Web site warning system, the U.S. will continue to be successful in growing soybeans."

For the latest information on rust, visit these checkoff-funded Web sites: www.stopsoybeanrust.com and www.unitedsoybean.org.



Soybean Rust - What Kansas Farmers Need to Know

Now that soybean rust has been identified in the United States, producers all over the country have been spending the past winter learning all they can about the disease and its management. "News that soybean rust has been discovered for the first time in the United States heightens the need for awareness and education about the disease among agricultural producers and affiliated industries," said Kansas State University Research and Extension plant pathologist Doug Jardine.

from gray to tan or reddish-brown on the underside of leaves. Lesions are most common on leaves, but may occur on petioles, stems and pods.

Soybean rust produces two types of lesions, tan and reddish-brown. Tan lesions, when mature, consist of small pustules surrounded by a slightly discolored necrotic area with masses of tan spores on the lower leaf surface. Reddish-brown lesions have a larger reddish-brown necrotic area, with a limited number of pustules and few visible spores on the lower leaf surface.

Once pod set begins on soybeans, infection can spread rapidly to the middle and upper leaves of the plant.

If you do suspect soybean rust, you may submit samples to the K-State Plant Disease Diagnostic Clinic through your local Extension office and mail to the address shown below. Jardine advises producers to double-bag in ziplock plastic bags and have the appropriate check sheet stapled to the bag. County agents can assist you in preparing your samples for submission.

The Kansas Soybean Commission has allocated funds to cover K-State's testing costs. Kansas soybean producers will not be charged for the rust testing.

Jardine recommends scouting for soybean rust in Kansas only if the disease is positively identified in Missouri, Arkansas or Oklahoma. "If we get later into the season, near the end of the pod fill, and the disease is not present in those states, then Kansas producers may not need to scout at all." However, when and if rust is identified in those nearby states, Jardine recommends scouting once a week, starting just before flowering begins. As the disease becomes more imminent, twice a week may become necessary, but can be discontinued if rust not been identified by the end of pod fill.

According to the USDA and Kansas Department of Agriculture, producers should look for small lesions that may be visible on the lower leaves of the infected plant that increase in size and change



A Diagnostic Guide



Developed by the Soybean Checkoff for U.S. Soybean Farmers

Our soybean checkoff.
Effective. Efficient. Farmer-Driven.



The Soybean Rust Diagnostic Guide contains information on soybean rust, its symptoms and treatments. This guide is available online at www.unitedsoybean.org, or visit the "pest detection" section of the U.S. Department of Agriculture Animal and Plant Health Inspection Service's Plant Protection and Quarantine Web site at www.aphis.usda.gov/ppq.

Soybean Rust Contacts and Web sites

USDA: www.usda.gov/soybeanrust

Kansas State University lab testing services (mail samples to:)

Kansas State University
Plant Disease Diagnostic Lab
4032 Throckmorton Hall
Manhattan, Kansas 66506

Tel: (785) 532-5810
clinic@plantpath.ksu.edu

Plant Management Network:

www.plantmanagementnetwork.org/infocenter/topic/soybeanrust

United Soybean Board Rust guide: www.unitedsoybean.org/producers_rustguide.pdf

North American Plant Disease Forecast Center: www.ces.ncsu.edu/depts/pp/soybeanrust

Plant Health Initiative, North Central Soybean Research Program
www.planthealth.info

Kansas Salt Mine Becomes First to Use B100 Biodiesel

Air quality is a critical issue for workers who use diesel engines in confined spaces, and using biodiesel fuel in mining equipment is one way to help protect their health.

Last December, the Kansas Soybean Commission (KSC), Hutchinson Salt Company and National Biodiesel Board (NBB) hosted a tour of the salt company's mine in Hutchinson, Kan. The Hutchinson Salt Co. is the first mine of any kind to use B100 (100 percent biodiesel).

Biodiesel is a renewable, alternative fuel to petroleum diesel, and is made from soybeans grown in the United

States as well as other fats and vegetable oils. It burns cleaner, reduces emissions like particulate matter by 47 percent and cuts carcinogens 80-90 percent. Biodiesel is sulfur-free, non-flammable and biodegrades faster than sugar.

"We use B100 biodiesel in everything underground that runs on diesel," said Max Liby, VP of Manufacturing for the mine. "The main benefit is we've cleaned up soot in the air and have cut particulates. Workers, particularly the operator of the loaders (shown below), like the soy biodiesel much better because they say particulates do not get in their nostrils and the air is noticeably cleaner. Also, lubricity is much greater than if we used regular diesel fuel, so the injector pumps and injectors work more efficiently. The soy biodiesel actually cleans the injectors," he said.

Hutchinson Salt Co. began using biodiesel in June 2003, and used 31,229 gallons of B100 in the first year.

"Biodiesel is a great fuel for use inside mines," said Harold Kraus, soybean farmer and NBB Director. "It is made from a natural product, so the

continued on page 4

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Photograph - Kansas Soybean Commission

Kansas Soybean Commission Business Update

KSC FY 2004 Financial Summary

Income

Checkoff collections & other income	\$2,440,965
Remittance to United Soybean Board & other states	-\$1,186,549
Net collections and other income	\$1,254,416

Expenditures

International Market Development	\$ 45,030
Production and Utilization Research	\$ 478,574
Consumer and Industry Education	\$ 409,545
Producer Communications	\$ 104,338
Administration	\$ 104,864

Total expenditures \$1,142,351

Hutchinson Salt Mine First to Use B100 Biodiesel continued from page 3

air that mine workers breathe from B100 is also natural. Besides cutting emissions, biodiesel also has a pleasant odor when it burns," he said.

Biodiesel is the first and only alternative fuel to have fully completed the Health Effects testing requirements of the Clean Air Act. Dr. Bailus Walker, MPH, past president of the American Lung Association of Washington, D.C., said, "There is a recognition that petroleum-based products, with their toxins, are affecting the health of the people. I would strongly recommend, as a health professional, we take a hard look at what is being accomplished with biodiesel."

The salt mine is one of more than 500 fleets using biodiesel. That number is expected to continue to rise, in part due to a biodiesel tax incentive bill that was taken into effect as law on January 1. The tax incentive should make biodiesel more accessible to the general public as it will significantly narrow the cost gap between biodiesel and regular diesel fuel, which will in turn fuel demand and supply.

Other biodiesel users include the Kansas and Missouri Departments of Transportation, all four branches of the military, NASA, Harvard University, the National Park Service, U.S. Postal Service, L.L. Bean and others. About 300 retail filling stations make various biodiesel blends available to the public, and more than 1,000 petroleum distributors carry it nationwide.

The Hutchinson Salt Company's main product is highway salt for inclement weather. Clients include the states of Kansas, Missouri, Oklahoma, Iowa and Illinois, and the city of Chicago.



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Photographs courtesy of the United Soybean Board.

KSC Elections

Harold Kraus, District 5 and **Jerry Wyse**, District 6 were re-elected to the Kansas Soybean Commission. Kraus graduated from Kansas State University with a business degree and then served as an officer in the U.S. Navy. Kraus has farmed for more than 40 years and has raised cows, wheat, corn, sunflowers, soybeans and fish. He is a certified crop adviser and has been no-till farming for nearly 20 years. He served on the Ellis County Commission for 16 years, the Kansas Soybean Commission for a year and a half, and is active in his church and community organizations.

Jerry Wyse grows wheat, corn, grain sorghum and soybeans. He is also the CEO of Kauffman seeds in Reno County. Wyse is an Ohio native who moved to Kansas when he married his wife, Lois. He has served on the Kansas Soybean Commission since 1996 and represents Kansas on the North Central Soybean Research program.

Kansas farmers also elected one new Commissioner, **Steve Clanton**, who grows corn, grain sorghum, soybeans, sunflowers and wheat with his wife, Sue, near Minneapolis in Ottawa County. He has been involved with many organizations including the local extension and soil conservation board, the National Association of Wheat Growers and the Kansas Association of Wheat Growers, where he was past president. Clanton also has a degree in electrical engineering from Kansas State University.

Kansas Corn 2005

Annual Report of the Kansas Corn Commission

Fall 2005

Kansas Corn Commission

Dist. 1 Ted Zielke
NW St. Francis
785-332-2463

Dist. 2 Ron Blaesi
WC Secretary
Sharon Springs
785-852-4169

Dist. 3 Donnie Young
SW Ulysses
620-356-2273

Dist. 4 Mike Brzon
NC Vice Chair
Courtland
785-335-2524

Dist. 5 Terry Vinduska
C Marion
620-382-2585

Dist. 6 Carolyn Dunn
SC St. John
620-549-6516

Dist. 7 Ken McCauley
NE White Cloud
785-595-3318

Dist. 8 Dan Guetterman,
EC Treasurer
Bucyrus
913-533-2443

Dist. 9 Bob Timmons
SE Chairman
Fredonia
620-698-3722

Kansas Corn Commission Office

Jere White
Executive Director
PO Box 446
109 W. 4th St.
Garnett, KS 66032
Phone: 800-489-2676

On-line at
www.ksgrains.com

2005 Was Headline Year for Kansas Corn

From a record-breaking 2004 crop announced in January to a seventh ethanol plant opening, Kansas corn has been in the headlines over the past year. This annual report will focus on some of Kansas Corn's headline events in 2005.

The Kansas Corn Commission has been busy, especially in the area of ethanol. KCC has brought ethanol-blended diesel to Kansas City's Johnson County Transit System. We've seen the first load of corn brought into the East Kansas Agri-Energy ethanol plant at Garnett. We've witnessed the groundbreaking of a 40 million gallon plant at Phillipsburg and continue to monitor several other potential ethanol plant projects in communities across the state.

The commission is embarking on a new effort to add 20 new E85 fueling sites to offer 85 percent ethanol for flexible fuel vehicles. We continue our work to promote and expand the use of E10 Unleaded, the 10 percent ethanol fuel that can be used in any gas-powered vehicle. With help from a Kansas Department of Commerce grant, a newsletter and web site devoted to educating fuel retailers about E10 Unleaded were published and we continue to work with retailers who are interested in adding ethanol blended fuel.

The Kansas Corn Commission is also working closely with the US Grains Council, US Meat Export Federation, USA Poultry and Egg Export Council and the International Grains Program to expand the export market for corn and corn-fed meats. KCC also works closely with National Corn Growers Association to build markets for corn. KCC Member Ken McCauley is now NCGA's First Vice President and will assume the presidency of the national organization in October 2006.



O2Diesel Brings Cleaner Air to KC Area

Kansas Corn Commissioner Dan Guetterman, Bucyrus (right) and KCC Executive Director Jere White (left) with the corn-wrapped Johnson County Transit Bus powered by an ethanol-blended diesel fuel called O2Diesel.
See page 2.

5-27

Kansas Corn Commissioner to Lead National Corn Growers Association

Kansas grower Ken McCauley will serve as National Corn Growers Association President beginning in 2006. NCGA's Corn Congress delegates ratified McCauley, a corn grower from White Cloud, as its first vice president during its Corn Congress in Washington, D.C., in July.

On October 1, McCauley began three one-year terms as an NCGA officer. McCauley is now First Vice President, and will become president of the organization October 2006 and then serve his remaining term as chairman the following fiscal year.

McCauley represents the northeast district on the Kansas Corn Commission (KCC) and is also a member of NCGA's Corn Board. McCauley is a former Kansas Corn Commission chairman.

McCauley isn't the first Kansan to lead NCGA. Lawrence grower



Ken McCauley, Kansas Corn Commissioner and NCGA First Vice President

Roger Pine was the 1998-1999 NCGA President.

Ken and his wife Mary operate a family farm near White Cloud in northeast Kansas.

20 E85 Fueling Sites Coming to Kansas

At least 20 new E85 (85 percent ethanol) fueling sites will open in the next year, thanks to a collaborative effort between the Kansas Corn Commission, United Bio Energy and the National Ethanol Vehicle Coalition (NEVC). E85 is an alternative fuel, made for Flexible Fuel Vehicles (FFVs) which are equipped to operate on any combination of gasoline and ethanol up to 85 percent ethanol.

Kansas now has seven E85 stations located at Hays, Maize, Topeka, Garnett, Coffeyville and two stations in Great Bend. Interest in E85 fuel is high because of its lower cost and higher performance. E85 has been available in KS for more than a decade, offering motorists with an alternative to traditional gasoline.

KCC Brings Cleaner Diesel to Metro Buses

The Johnson County Transit system is now powering its buses with O2Diesel, diesel blended with 7.7% ethanol, a clean fuel made from Kansas grains. The Kansas Corn Commission sponsors the CityHome O2Diesel program in Johnson County.

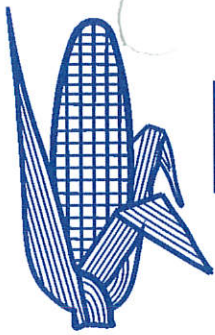
"Johnson County was looking for ways to improve air quality, and this program is a step in the right direction," according to Kansas Corn Commission Chairman Bob Timmons, Fredonia.

CityHome is a national clean-air initiative designed to help municipal transit systems significantly reduce diesel fuel emissions and improve quality of life in their communities at no additional cost.

Commission Brings AgriTalk Pump Tour to Pratt

Kansas Corn Commissioner Carolyn Dunn of St. John, pumps E10 Unleaded and explains the benefits to a customer at an ethanol promotion at the Pratt Kwik Shop. The Kansas Corn Commission sponsored the AgriTalk Ethanol Pump Tour at Pratt in June. The nationally syndicated radio program broadcast live from the event. The commission participated in efforts year-round to promote ethanol and Kansas corn. The commission along with other ethanol groups also hosted an ethanol exhibit at the Kansas State Fair.





KANSAS CORN COMMISSION

FY-2006 Funding Report

The Kansas Corn Commission

The Kansas Corn Commission determines how the half cent per bushel corn checkoff is invested to benefit corn producers. The first purchaser of the grain remits a checkoff collection to the Kansas Department of Agriculture which distributes the funds to the commission. The Kansas corn checkoff is voluntary. Growers may request a refund of their checkoff collection by contacting the Kansas Corn Commission.

Producers Decide How Checkoff Dollars Are Spent

The Kansas Corn Commission is made up of nine corn producers who represent the state's nine crop reporting districts. See *directory on page 1*. The commission invests the checkoff collection in the areas of foreign market development, domestic market development, research, promotion and education.

Corn Commissioners Are Elected by Producers

The 2000 Kansas Legislature changed the structure of the commodity commissions to make each an "instrumentality of the state." Under this structure, the commissions manage their operations in the private sector, deciding how check-off funds are spent for the greatest benefit to Kansas grain producers. Board members are now elected by growers rather than appointed by the Governor. See *page 8 for election information*.

Find out more on the Internet!

Visit the Kansas Corn Commission web site at www.ksgains.com or the Kansas Department of Agriculture web site at www.ksda.org

FY2006 KCC Funding

Research
\$84,292 (8%)



Domestic Market Development
\$314,400 (28%)

Foreign Market Development
\$411,200 (36%)

Promotion and Education
\$321,900 (28%)

This information outlines program areas in which corn checkoff dollars are being invested by the Kansas Corn Commission in Fiscal Year 2006 (July 1, 2005 through June 30, 2006)



WHAT IT'S ALL ABOUT—Garnett farmer Glenn Caldwell delivered the first load of corn to the East Kansas Agri-Energy LLC plant in June. The plant, located on the south side of Garnett, is owned by growers and other investors. EKAE quickly reached capacity production and has been operating steadily since June. The EKAE plant will use about 13 million bushels of corn and grain sorghum per year to produce 35 million gallons of ethanol and more than 115,000 tons of dried distillers grains.

FY2006 Commission Projects

The Kansas Corn Commission contracts with several organizations to provide a variety of services in the areas of domestic market development, foreign market development, research, promotion and education.

National Corn Growers Association

Core Funding..... \$116,800
 Portfolio Funding \$195,200

Portfolio funding divided as follows:

Biotechnology—\$50,000; Research/Development—\$20,000; Production & Stewardship—\$20,000; Ethanol—\$40,000; Growers Services—\$20,000; Public Policy—\$40,000; Trade—\$5,200

Kansas Corn Growers Association

Market Development \$166,000
 Promotion & Education Programs \$166,000

No Till on the Plains

Locally Led Core Conservation
 Practices to Protect Water Quality \$5,000

Kansas Foundation for Agriculture In the Classroom

Education \$12,500

US Meat Export Federation

Foreign Market Development..... \$50,000

US Grains Council

Foreign Market Development..... \$300,000

International Grains Program, KSU

Foreign Market Development..... \$50,000

USA Poultry & Egg Export Council

Foreign Market Development..... \$6,000

KSU Research See Page 5

Programs Give Kansas Growers Clout Worldwide



US GRAINS COUNCIL

The U.S. Grains Council develops export markets for U.S. corn, barley, grain sorghum and related products. The Council believes exports are vital to global economic development and to U.S. agriculture's profitability. The Council is a private, non-profit corporation with 10 international offices and programs in more than 80 countries. Its unique membership includes producer organizations and agribusinesses with a common interest in developing export markets. The Kansas Corn Commission has been an active supporter of the U.S. Grains Council for several years. Commissioner Terry Vinduska, Marion serves on the USGC Board of Directors.



The USA Poultry & Egg Export Council (USAPEEC) is a non-profit, industry-sponsored trade organization dedicated to increasing exports of U.S. poultry and egg food products in all foreign markets. In addition to its U.S. office, the council has offices in Hong Kong, Beijing, Singapore, Moscow, Shanghai, Monterrey and Mexico City, and retains consultants in Johannesburg, Seoul, Tokyo, Europe and the Middle East.



US MEAT EXPORT FEDERATION

The U.S. Meat Export Federation (USMEF) is a non-profit trade association working to create new opportunities and develop existing international markets for U.S. beef, pork, lamb and veal. Headquartered in Denver, USMEF has offices in Seoul, Tokyo, Osaka, Hong Kong, Shanghai, Singapore, Taipei, Moscow, St. Petersburg, Mexico City and London. USMEF also has special market representatives covering China, Europe, the Middle East, Central and South America and the Caribbean. The Kansas Corn Commission has a long history with USMEF. Commissioner Donnie Young, Ulysses is on the USMEF Board of Directors.



Based at Kansas State University, IGP's mission is to promote and assist market-development efforts for U.S. commodities. IGP achieves its mission through technical-training and assistance programs in storage and handling, milling, marketing and processing. These programs target international flour and feed millers, international grain buyers, overseas governmental officials and other parties involved in grain procurement and/or use.



MARKETING RESEARCH

Grain Marketing, Research and Education

\$12,600 (ongoing project)

The Kansas Corn Commission funded a proposal that included assistance in hiring a grain marketing economist; conducting a grain and oilseed price outlook and marketing extension program, and conducting research on current marketing issues facing the Kansas grain and oilseed industry. The University makes available a wealth of information on farm management and grain marketing on its web site at www.agmanager.info. See article on p. 6



WATER USE, IRRIGATION

Effects of Tillage Practices and Limited Irrigation on Corn Production

\$15,000 (first year of a three-year study)

The objective of this study is to determine the effect of tillage practices and irrigation capacity on corn grown under limited irrigation. The researchers will look at the results in terms of corn yields and yield components, corn growth, canopy productivity, soil warming, soil water redistribution, crop water use, yield and water use efficiency. They will then compare the economics of the three production systems using a partial budgeting approach. Several factors are forcing irrigators to look for ways to conserve and get the best use from their water. Although techniques like no tillage or conservation tillage have been effective for dryland water conservation, adoption of these techniques have been slower for continuous irrigated corn. Ongoing field research can provide benchmark results that farmers can use to evaluate tillage practices.

Irrigated Cropping Systems to Reduce Irrigation Water Use & Groundwater Depletion While Sustaining Profitability, KSU—\$12,000 (fifth year of a six-year project)

Project objectives are to identify crop rotations that can be used with limited irrigation that will reduce irrigation water use while maintaining producer profitability, and to determine the impact of limited irrigation on crop yield and profitability. This represents the fifth year of a six-year project, and studies are underway at the Tribune Unit of the Southwest Research-Extension Center. Because of reduced water availability and fluctuations in pumping costs, producers will adopt limited irrigation strategies. Knowing the yield and water use relationship between alternative crop rotations and irrigation amounts will allow producers to better utilize their water resources. The results of this ongoing research are being reported to growers through extension publications and through field days and other events.



CROP PRODUCTION

The Effect of Systemic Insecticide Seed Treatments on Yield of Corn and Pests, KSU

\$13,000 (first year of a proposed two-year project)

The researchers will determine the effect of high and low rates of Cruiser and Poncho seed treatments on yield and agronomic characteristics of two corn hybrids; determine the effect of the treatments on specific pests and evaluate the effect of the treatments on corn development under greenhouse conditions in the absence of insect attack. These experiments will be conducted in conjunction with the KSU Corn Performance Tests. Seed treatments to control pests have received increasing attention. Cruiser and Poncho are two relatively new insecticide seed treatments and are being widely promoted. Growers frequently ask if insecticide seed treatments have an affect on yield in the absence of a noticeable insect attack. This research will provide help to answer those questions.

Short Season Corn Extension Educational Program in SE Kansas, KSU

\$3,950 (second year of a two-year project)

Corn production in southeast Kansas has more than doubled in the last few years. Much of the increase is due to the planting of short season corn on the upland. Objectives include the use of on-farm demonstration trials to show producers new strip till techniques, Best Management Practices, determine the effects of phosphorus placement, and optimum nitrogen rates. The project takes current research to farmers' fields and shows production BMPs to protect water quality and economic benefits for corn production in the 26-county Southeast Kansas Extension Area.



LIVESTOCK FEED RESEARCH

Distillers Grains for Cattle—A Strategy to Reduce Dependence on Feed Grade Antibiotics

\$7,742 (second year of a two-year project)

The objective of this project is to evaluate the potential for elimination of feed-grade antibiotics from finishing cattle diets when steam-flaked grain is partially replaced using wet corn distillers grains. The relatively high fat content of distillers grains may be useful when fed to finishing cattle, possibly reducing the need for adding feed additives to prevent digestive disturbances and liver abscesses.

Producers Find Ag Marketing Guidance at KSU's www.agmanager.info Web Site

The Department of Agricultural Economics at KSU hosts a comprehensive website that has become a leading provider of farm and ranch management and marketing information. The Kansas Corn Commission is a sponsor of this website. Growers can explore the farm management and grain marketing tools that are available on-line at www.agmanager.info

Woolverton Is KSU's New Extension Grain Economist

Mike Woolverton received his Ph.D. from the University of Missouri – Columbia in 1978. He specializes in grain marketing, international trade policy, and extension executive education. His research includes structure and performance of the grain and oilseed marketing system, overseas market development and commodity promotion, risk management in marketing and purchasing grain and oilseed commodities, agribusiness marketing management, and strategic leadership. Dr. Woolverton authors the Grain Outlook marketing newsletters that can be found at www.agmanager.info.



Phillipsburg Ethanol Plant Breaks Ground

Construction has begun on a 40 million gallon ethanol plant near Phillipsburg. Prairie Horizon Agri-Energy, LLC held a ground breaking ceremony in early September at the plant site located at 1600 East 100 Road, one-half mile northeast of Phillipsburg. This plant is another step forward for a rapidly growing ethanol industry in Kansas.

When completed, the plant will use 15 million bushels of corn and grain sorghum to produce 40 million gallons of ethanol per year. The plant will also produce 125,000 tons of distillers dried grains with solubles (DDGS), a high nutrient livestock feed. The cost of the project is \$56 million. The group began its equity drive in July of 2004 and has over 300 investors. Construction of the plant began in early October and should be completed and in operation by July 2006, according to PHAE President Monte Abell. ICM, Inc. of Colwich has been contracted to design and build the plant. About 35 people will be hired to operate the plant.

Ethanol Quick Facts

US Production: 91 plants
4 billion gallons per year

Kansas Production: 7 plants
170 million gallons per year

KANSAS PLANTS

US Energy Partners

Russell 46 mgy

Western Plains Energy

Campus 41 mgy

East Kansas Agri Energy

Garnett 35 mgy

Abengoa Bio-Energy

Colwich 25 mgy

Reeve Agri-Energy

Garden City 12 mgy

MGP Ingredients

Atchison 9 mgy

ESE Alcohol

Leoti 1.5 mgy

DDGS: An important co-product of ethanol product is distillers grains, which is sold wet or dried as a high-nutrient livestock feed. A third of the grain that is used to make ethanol comes out as distillers grains. Kansas' strong livestock feeding industry provides a steady market for DDGS.



Visit the Kansas Ethanol Information website at:

www.ksgains.com

Kansas Commodity Classic Is November 8 at Garden City



*The Kansas Commodity Classic—
the annual convention of the state's corn,
wheat, grain sorghum and cotton producers*

**Tuesday, Nov. 8, 2005
Plaza Inn, Garden City
Registration begins at 8 a.m.**

Corn, wheat, sorghum and cotton producers will come together on Tuesday, Nov. 8 for the Kansas Commodity Classic at the Plaza Inn in Garden City. This annual event will feature a wide range of topics from legislative and policy issues to production and marketing of our crops. The 2005 Kansas Commodity Classic is hosted by the Kansas Corn Growers Association, Kansas Association of Wheat Growers, Kansas Grain Sorghum Producers Association and Kansas Cotton Association.

The Classic is FREE for all growers! The Kansas Association of Wheat Growers is taking pre-registrations.

**Register today by calling KAWG at
866-759-4328**

KANSAS COMMODITY CLASSIC AGENDA

Nov. 8, 2005 Plaza Inn, Garden City

- 9:00** General Session Begins
9:15 The State of Kansas Agriculture
Adrian Polansky, Kansas Secretary of Agriculture
- 9:45** Senator Pat Roberts (invited)
- 11:00** Break
- 11:15** FSA Tomorrow, *Bill Fuller, Kansas FSA*
- 11:45** Linking Farms and Communities to Create New Opportunities, *Vincent Amanor-Boadu, Director of the Value-Added Business Development, KSU*
- Noon** Lunch
- 1:30** Breakout Sessions 1 (choose one)
- ◆ Value Added Opportunities—What Resources Are Available
 - ◆ Minimizing Risk in a Volatile World
 - ◆ Kansas Water Update
- 2:30** Ice Cream Break
- 3:00** Breakout Sessions 2 (choose one)
- ◆ Value Added Opportunities—What Real People Are Doing
 - ◆ Kansas Legislative Outlook
 - ◆ Producing Cotton in Changing Times

You Are Invited!
Please join us at the
Corn Producers Dinner

**6:00 p.m. Monday, Nov. 7 at the
Plaza Inn, Garden City**

Hosted by the Kansas Corn Commission

To reserve your seat at this dinner

**Please call KCC at
800-489-2676**

Corn Producer Events Held in Conjunction with the Kansas Commodity Classic

Kansas Corn Commission: The Kansas Corn Commission will meet beginning at 1 p.m. on Monday, Nov. 7 at the Plaza Inn, Garden City. Corn Commission meetings are open to the public.

Kansas Corn Producers Dinner: The Kansas Corn Commission is hosting a dinner for corn producers at 6 p.m. at the Garden City Plaza Inn. All corn producers are invited to attend. *Seating may be limited—call 800-489-2676 to reserve your seat!*

Kansas Corn Growers Association: KCGA will have its annual meeting at 8 p.m. on Monday, Nov. 7 at the Garden City Plaza Inn.

Growers to Choose District 1-3 Commissioners—

Commodity Commission Elections Coming Up for Western Districts

Growers voting in the 2006 commodity commission elections will select checkoff board members for Districts 1, 2 & 3—the western third of Kansas. District One includes Cheyenne, Decatur, Graham, Norton, Rawlins Sheridan, Sherman and Thomas counties. District Two includes Gove, Greeley, Lane, Logan, Ness, Scott, Trego, Wallace and Wichita counties. District Three includes Clark, Finney, Ford, Grant, Gray, Hamilton, Haskell, Hodgeman, Kearny, Meade, Morton, Seward, Stanton and Stevens counties.

REGISTER TO VOTE—Commodity Voter Registration forms can be obtained from county extension offices, county conservation district offices, the Kansas Department of Agriculture, or any of the five grain commodity commission offices, or by signing a valid candidate petition form. You will receive a ballot by mail by Jan. 15 which will be due by March 1. **Voters must register by Dec. 31, 2005.**

REGISTER AS A CANDIDATE—Fill out the candidate petition available from the Kansas Department of Agriculture or the Kansas Corn Commission. Candidates must complete the required forms, and get signatures from 20 growers, with no more than 5 growers from one county. **Candidate registrations must be postmarked by Nov. 30, 2005.**

Kansas Corn Commission

KCC contracts with the Kansas Corn Growers Association for administrative services and programs.

Executive Director—Jere White

Programs Manager—Sue Hardman

Director of Communications—Sue Schulte

Director of Environmental Programs—
Jessica Baetz Caylor

CONTACT US!

Kansas Corn Commission

PO Box 446

Garnett, KS 66032

Phone: 800-489-2676

Fax: 785-448-6932

e-mail: corn@ksgrains.com

Visit our web site

www.ksgrains.com



*Annual report of the Kansas Corn Commission,
Garnett, KS. Published October 2005.
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**See INSIDE for Information
on the
Kansas Commodity Classics!**

**Kansas Corn Commission
Annual Report**

Kansas Corn Commission
PO Box 446
Garnett KS 66032



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KANSAS CORN COMMISSION

Garnett, Kansas

FINANCIAL STATEMENTS

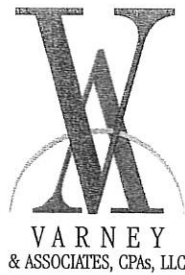
WITH

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2005 and 2004

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

5-32



October 11, 2005

Board of Directors
Kansas Corn Commission
Garnett, Kansas

Independent Auditors' Report

We have audited the accompanying statements of assets, liabilities and net assets - cash basis of Kansas Corn Commission (a quasi municipal entity) as of June 30, 2005 and 2004, and the related statement of activities - cash basis for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets - cash basis of Kansas Corn Commission as of June 30, 2005 and 2004, and the changes in its net assets for the year then ended on the basis of accounting described in Note 1.

Certified Public Accountants

KANSAS CORN COMMISSION
 Garnett, Kansas
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS
 June 30,

Financial Statements

	2005	2004
ASSETS		
Current Assets		
Cash		
Money Market	\$ 71,300	\$ 30,000
High Performance Savings	1,057,006	623,244
Overnight Repo Agreement	-	198,873
CD	400,000	600,000
	\$ 1,528,306	\$ 1,452,117
TOTAL ASSETS	\$ 1,528,306	\$ 1,452,117
NET ASSETS		
Net Assets	\$ 1,528,306	\$ 1,452,117
TOTAL NET ASSETS	\$ 1,528,306	\$ 1,452,117

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KANSAS CORN COMMISSION
 Garnett, Kansas
STATEMENTS OF ACTIVITIES - CASH BASIS
 For the Years Ended June 30,

Financial Statements

	2005	2004
CHANGES IN NET ASSETS		
- REVENUE		
Check-off collections	\$ 1,816,997	\$ 1,364,613
Refunds	(314,984)	(294,643)
Net	\$ 1,502,013	\$ 1,069,970
Interest income	25,453	11,210
Total Revenue	\$ 1,527,466	\$ 1,081,180
 EXPENSES		
Administrative		
Communications	\$ 33,974	\$ 31,189
KCGA - Administration	74,000	74,000
In-state travel	7,019	6,839
Out-of-state travel	42,089	30,737
Office	1,214	2,056
Meetings	4,891	1,712
Hospitality	3,183	625
Grants	8,400	7,800
Program		
KCGA	306,000	311,000
KS Department of Agriculture	7,553	9,456
KSU - Research	158,413	214,901
National Corn Growers Association	342,000	312,000
Other contracts	97,541	84,433
US Grains Council	315,000	300,500
US Meat Export Federation	50,000	50,000
Total Expenses	\$ 1,451,277	\$ 1,437,248
 INCREASE (DECREASE) IN NET ASSETS	\$ 76,189	\$ (356,068)
 NET ASSETS - JULY 1, 2003	1,452,117	1,808,185
 NET ASSETS - JUNE 30, 2004	\$ 1,528,306	\$ 1,452,117

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KANSAS CORN COMMISSION
 Garnett, Kansas
NOTES TO FINANCIAL STATEMENTS
 June 30, 2005 and 2004

Notes To Financial Statements

Note 1: Summary of Significant Accounting Policies

Organization

The Kansas Corn Commission is organized as an instrumentality of the state to conduct a campaign of corn promotion and market development through research, education and information.

Method of Accounting

The financial statements are prepared using the cash basis of accounting, which differs from generally accepted accounting principles in that revenues are recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred.

Income Taxes

The Commission is a quasi municipal entity that is not subject to income tax and, accordingly, no provision has been made for income taxes.

Pension Plan

There is no formal pension plan.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments and Credit Risk

Deposits, which include certificates of deposit, are carried at cost which approximates fair value. The following tables summarize the collateral supporting the Commission's deposits at June 30, 2005 and 2004:

	Carrying Value	
	2005	2004
Category 1		
Deposits covered by Federal Depository Insurance or collateral held by the Commission or its agent in the Commission's name.	\$ 300,000	\$ 300,000
Category 2		
Deposits covered by collateral held by the pledging financial institution or its agent in the Commission's name.	3,200,000	2,145,409
Total Deposits	<u>\$ 3,500,000</u>	<u>\$ 2,445,409</u>

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Kansas Sunflower Commission 2005 Annual Report

Organization

The Kansas Sunflower Commission is organized as an instrumentality of the state to conduct a campaign of sunflower promotion and market development through research, education and information. The commission receives an assessment that is levied on sunflowers marketed through commercial channels in the state of Kansas. Currently, the rate of assessment is \$0.03 per hundredweight. The grower may obtain a refund of the assessment upon proper submission of documentation within one year of sale as long as the refund requested is \$5 or more. The commission operates on a fiscal year from September 1 – August 31.

Commissioners

District I

Jeff Deeds (Chairman)
1416 Arcade
Goodland, KS
Ph: 785-899-7230

District II

Duane Frasier (Vice-Chair)
HC 1, Box 235
Sharon Springs, KS 67758
Ph: 785-852-4454

District III

Jerry Bolding (Secretary)
14135 East Meeker Road
Garden City, KS 67846
Ph: 620-276-3042

At Large

Gary Schellhorn
521 Skiddy West Road
Junction City, KS 66441
Ph: 785-349-2926

Executive Director

Gail Hermesch
1138 K Rd
Centralia, KS 66415
Ph: 785-868-3831

District V

Lance Russell
474 240th Ave
Hays, KS 67601
Ph: 785-628-2159

District VI

Keith McNickle
235 NW 150th Ave
Stafford, KS 67578
Ph: 620-234-6183

District VII, VIII, IX

Randy Small
Rt 1 Box 213a
Neodesha, KS 66757
Ph: 620-325-5242

At Large

John Golden
1010 W 10th
Goodland, KS 67735
Ph: 785-899-7128

USDA Annual Report

USDA released its annual crop production report on January 12, 2006. Kansas was once again third in the nation in sunflower production. Totals reported for the state of Kansas were as follows:

	2004	2005	% of 2004
Planted Acres <i>(1000 acres)</i>	171	300	175%
Harvested Acres <i>(1000 acres)</i>	158	289	183%
Yield/Acre <i>(Lbs/Acre)</i>	1,433	1,564	109%
Production <i>(1,000 Lbs)</i>	226,360	452,100	200%

Statements of Activities For Year Ended August 31, 2005

Changes in net assets

Revenue

Check-off collections	\$73,335
Refunds	<u>\$ (796)</u>
Total Revenue	<u>\$72,539</u>

Expenses

Administrative

Dues	\$ 3,000
Commissioner Travel	\$ 3,546
Contract Labor	\$ 1,815
Office Expense	\$ 881
Meeting Expense	\$ 96
Bank Fees	\$ -

Program

National Sunflower Assoc	\$17,000
Sponsorships	<u>\$ 1,685</u>
Total Expenses	<u>\$28,023</u>

Increase (Decrease) In Net Assets	\$44,516
Net Assets September 1, 2004	<u>\$47,813</u>
Net Assets August 31, 2005	<u>\$92,329</u>

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Members of the Committee:

I am Kevin Lickteig, Administrator for the Kansas Grain Sorghum Commission. On behalf of Jeff Casten, our Chairman of the Kansas Grain Sorghum Commission from Quenemo I am pleased to submit our annual report of our campaign of grain sorghum promotion and market development. The Commission is pleased that each district has a candidate in the current election of the western districts. Support for our programs are widespread. Overall support may best be shown in our last fiscal year's numbers. 95.5% of the voluntary check-off support was allowed to be invested into our programs. This percentage has trended upward in the past five years. Grain sorghum harvested acreage for this current fiscal year was down and that continues a downward trend of sorghum production in Kansas. With Kansas as the leader in sorghum production, the United States sorghum production is also following our downward trend.

Presented is our annual report to growers. It highlights the research efforts that our Commission has deemed necessary for sorghum to compete profitably for producers. Increases have been dramatic in funding research for more and easier management options to control grass and weeds in sorghum production. Both pre-plant and rescue options are severely limited and has led to farmers selecting other crops to plant based on herbicide options. The Commission believes that to reverse the acreage reductions, any alternatives in grass and weed management needs to be explored. Grain sorghum has opportunities with higher crop input costs, lowering irrigation capacities, and the continual risk of uncooperative growing conditions to be a viable economic resource for producers.

Our Commission is particularly proud of the hybrid and germ plasm advancement of grain sorghum. The report on the inside pages detail our expenditures. Over one-half our spending went into production and new use research. The public sector has been leaned heavily on in the past and even more so with the private company consolidations of the past few years. The breeding programs at the Manhattan and Hays Kansas State University stations are the biggest joint public ones in the nation. That's because Kansas leads the nation, with about 48% of the total production and the industry relies heavily on us. Our main goal of the breeding programs is to continue maximizing yield.

We are proud of the Kansas ethanol industry and usage. Grain sorghum prices have increased in the northern half of Kansas to the price of corn and in areas around our new ethanol plants. Traditionally grain sorghum is 80% of the price of corn, but our promotion efforts are bringing more dollars back to Kansas producers. We are proud to be feeding the state's growing and increasingly diverse livestock industry. Finally, the international market development with about 4 of 10 bushels of grain sorghum raised in the U.S. being exported, remains constant. Though Mexico continues to use most of it, there are future customers, waiting for prices similar to corn. Details of all these programs are mentioned in the report if you need anything else. Also submitted are our annual budget and our audited financial reports from Varney & Associates. We thank you for your help and this opportunity to review our programs.

FY 2006 Budget
KANSAS GRAIN SORGHUM COMMISSION

INCOME

Estimated Net Assessments	\$ 700,000
Allowance for Refunds 7%	-50,000

Net Income	----- \$ 650,000
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EXPENSES

Programs:

KGSPA	\$	96,500
KSU Research		181,500
Sorghum Foundation		150,000
NGSP		205,000
USGC		31,000
Administration & Overhead		132,000
Special projects & Media		8,000

TOTAL EXPENSES	\$ 804,000
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PROJECTED INCOME/DEFICIT	===== - 154,000
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BEGINNING CARRY-OVER 7/01/2005	\$ 405,179 -----
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KANSAS GRAIN SORGHUM COMMISSION

2006 ANNUAL REPORT

Grain Sorghum Research and Market Development Efforts Top KGSC Priorities

The half-cent per bushel grain sorghum checkoff is working hard for Kansas growers. In the past year, sorghum producers have seen their checkoff dollars used for research to improve their crop, and to build markets for sorghum through increased ethanol production and use, and expanded export opportunities.

Research

The Kansas Grain Sorghum Commission is part of a multi-state grain sorghum research initiative that brings together the top sorghum researchers to focus on issues like weed control, crop improvement and genetics. The commission provides significant funding to individual research projects at KSU as well as the multi-state research program. This fall, Congress approved \$736,000 in funding for the Great Plains Sorghum Initiative, a collaborative research effort between Kansas State University, Texas Tech University and Texas A&M University. This effort will allow the sorghum industry to pool their resources and work on issues to improve sorghum. The initiative will allow Kansas State University to lead efforts in plant breeding, genetics, and sorghum utilization; Texas Tech University to lead efforts on marketing, policy analysis, risk management and water use efficiency management; and Texas A&M University to lead efforts on sorghum cropping systems plus weed and pest management.



KSU Sorghum Breeder Mitch Tuinstra will play a key role in expanded sorghum research efforts. (photo courtesy Kansas Farmer)

Ethanol and Domestic Market Development

Kansas now has seven operating ethanol plants that produce 170 million gallons of ethanol from 65 million bushels of grain sorghum and corn. In Kansas, grain sorghum is the grain of choice for ethanol production. East Kansas Agri-Energy began production in June of 2005. Construction of an eighth plant, Prairie Horizons Agri Energy, LLC, is underway at Phillipsburg. In addition, sales of ethanol in Kansas have seen dramatic increases in the past year.

Export Markets

January 1, 2006 marked the beginning of the long-awaited free trade agreement (FTA) between the United States and Morocco. The agreement eliminated tariffs on U.S. sorghum immediately – good news for both U.S. sorghum producers and Moroccan livestock producers. Costs to Morocco's expanding poultry and meat sector will be significantly reduced due to lower feed grain prices, and the elimination of tariffs will open markets for U.S. sorghum into Morocco. The Kansas Grain Sorghum Commission has worked closely with the US Grains Council for several years to improve sorghum sales to Morocco's growing livestock sector.

KGSC Funded Projects—FY2006

The Kansas Grain Sorghum Commission allocated checkoff funds in the areas of research, foreign market development, domestic market development, promotion and education. Below is a listing of projects funded by the Kansas Grain Sorghum Commission for FY2006. (July 1, 2005 through June 30, 2006)

KANSAS GRAIN SORGHUM COMMISSION

KSU Research Projects

Barney Gordon, Agronomy..... \$6,500
Management systems for grain sorghum production under dryland and limited irrigation

Ken Kofoid, Hays Research Center \$48,000
Breeding sorghum with improved grain yield, greenbug and virus resistance, and pre-flowering drought tolerance

Mitch Tuinstra, Agronomy \$72,500
Breeding grain sorghum for improved dryland production

Dave Regehr, Agronomy..... \$5,000
Evaluating herbicides for crop tolerance and grass control in grain sorghum

Alan Schlegel, Southwest Research Center \$6,500
Irrigated cropping systems to reduce irrigation water use and groundwater depletion while sustaining profitability

KSU Hays Research Center..... \$15,000
Plot combine

Promotion, Market Development and Research Projects

Kansas Grain Sorghum Producers Association..... \$96,500
Promotion and Market Development

National Sorghum Producers \$205,000
Research, Promotion and Market Development

Multi-State Research \$150,000
Sorghum Foundation

KSU Sorghum Improvement Center \$50,000

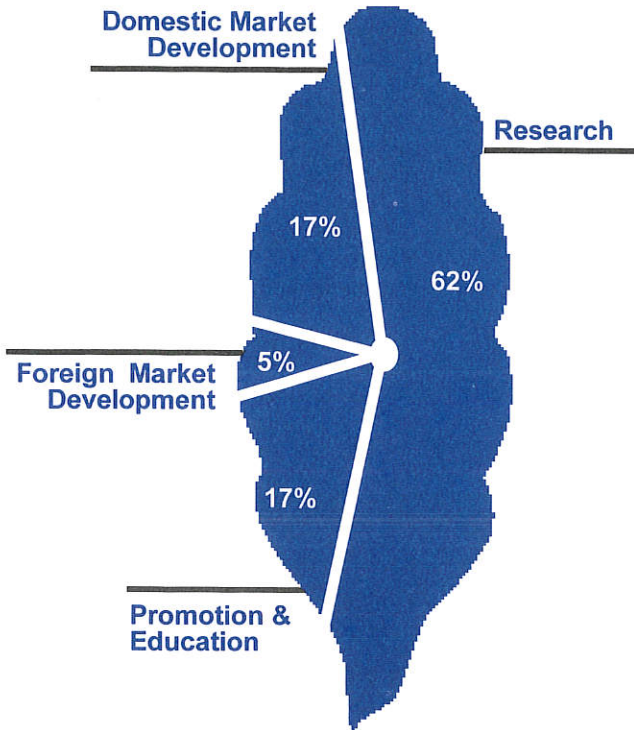
USGC Baseline Funding \$31,000

Special grants for FY2006

Kansas Grain and Feed Association Grain Grading Schools \$900

FY 2006

This pie chart outlines program areas in which your checkoff dollars are being invested by the Kansas Grain Sorghum Commission in Fiscal Year 2006 (July 1, 2005 through June 30, 2006)



Production/New Use Research.....	\$421,833 (62%)
Domestic Market Development.....	\$116,583 (17%)
Foreign Market Development	\$31,000 (5%)
Promotion and Education	\$116,583 (17%)

(Percentages are rounded and may not add up to 100%)

FY 2005

This listing outlines program areas in which your checkoff dollars were invested by the Kansas Grain Sorghum Commission in Fiscal Year 2005 (July 1, 2004 through June 30, 2005)

Production/New Use Research	\$184,200 (43%)
Domestic Market Development	\$104,950 (24%)
Foreign Market Development.....	\$48,350 (11%)
Promotion and Education	\$95,500 (22%)

KGSC Photo Album



September, 2005—Prairie Horizons Agri Energy LLC broke ground at Phillipsburg on the state's eighth ethanol plant. When completed, the plant will use 15 million bushels of grain sorghum and corn to produce 40 million gallons of ethanol per year. The projected startup date is July of 2006.



March 2005—Three Kansas growers get a first hand look at efforts to build markets for U.S. sorghum in Africa during the the US Grains Council's Sorghum Mission to Africa. Kansas growers on the mission were Commissioner Jay Zimmerman, South Haven (3rd from left), Commissioner Greg Graff, Marienthal (2nd from right); and Charles Odgers of Sublette (right). Growers assessed the potential for growth in commercial uses for sorghum and food aid efforts.



September 2005— KGSC joins several commodity groups to present Agriland at the Kansas State Fair, a large, interactive educational exhibit for children and adults to learn about Kansas agriculture.

Kansas Grain Sorghum Commission Frequently Asked Questions

What does the commission do?

The Kansas Grain Sorghum Commission was established in 1977. The commission determines how the refundable half-cent per bushel grain sorghum checkoff is spent. Checkoff funds are collected through the Kansas Department of Agriculture. Refunds are processed through the KGSC office.

The areas of investment are:

- ◆ Production and New Use Research
- ◆ Domestic Market Development
- ◆ Foreign Market Development
- ◆ Promotion and Education

Who serves on the commission?

Nine growers make up the Kansas Grain Sorghum Commission. These growers represent the nine crop reporting districts in the state of Kansas.

Are commissioners elected or appointed?

Thanks to legislation passed in 2000 designed to give growers more input into their commission representation, growers began to elect commissioners in 2002. 2006 marks the fifth round of elections, in which growers will select commissioners for the northwest, west central and southwest districts.

Who handles the commission business?

The administrator of the Kansas Grain Sorghum Commission is Kevin Lickteig. The commission's administrative office is located in Paola, Kansas, and can be contacted toll-free at 866-4KSMILO (866-457-6456).

Where can I find more information?

Visit our web site at:

www.ksgrains.com/kgsc



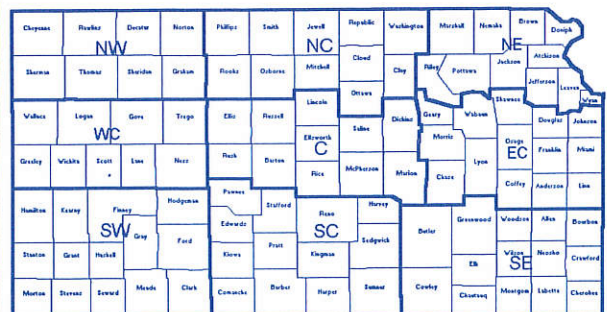
Kansas Grain Sorghum Commission

- Dist. 1 (NW)** Richard Calliham
Colby
785-462-2459
- Dist. 2 (WC)** Greg Graff, Vice Chair
Marienthal
620-379-4677
- Dist. 3 (SW)** Donald Rome
Garden City
620-275-6792
- Dist. 4 (NC)** Bill Greving, Sec/Treasurer
Prairie View
785-973-2224
- Dist. 5 (C)** Clayton Short
Assaria
785-667-3833
- Dist. 6 (SC)** Jay Zimmerman
South Haven
620-326-7338
- Dist. 7 (NE)** Leo Bindel
Sabetha
785-467-3817
- Dist. 8 (EC)** Jeff Casten, Chairman
Quenemo
785-759-3520
- Dist. 9 (SE)** Kathy Claiborne
Fredonia
620-692-3651

Administrator:

Kevin Lickteig
PO Box 243, Paola, KS 66071
Phone: 866-457-6456
e-mail: kgsc@classicnet.net

District Map



The commissioners listed above represent growers in their crop reporting districts. The map above shows the crop reporting districts for the state of Kansas.