

MINUTES OF THE HOUSE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on March 20, 2006, in Room 423-S of the Capitol.

All members were present except:

Representative John Faber- excused
Representative Joann Freeborn- excused
Representative Frank Miller- excused
Representative Virgil Peck- excused
Representative Ted Powers- excused

Committee staff present:

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

Conferees appearing before the committee:

John Watson, Director, Trade Development Division, Kansas Department of Commerce
Jack Chen, Director-General, Taipei Economic and Cultural Office
Jo Turner, Board of Directors, Kansas Horse Council
Chris Wilson, Kansas Dairy Association

Others attending:

See attached list.

Hearing and action on SCR 1624 - Concurrent Resolution supporting a Taiwan-United States free trade agreement.

Chairman Johnson opened the hearing on **SCR 1624** and asked Raney Gilliland to review the resolution for the committee.

John Watson, Director, Trade Development Division, Kansas Department of Commerce, reported that the Department is generally supportive of **SCR 1624** believing it is important to give witness to important international trade relations of the state. The Department works closely with the Taiwan Economic and Cultural Office in Kansas City to advance our mutual interests in trade and friendship. In calendar year 2005, Taiwan customers imported over \$80 million worth of Kansas products, which ranks Taiwan as Kansas' 19th most important trading partner.

The Kansas Department of Commerce is concerned about the language in **SCR 1624** advocating increased trade through the enactment of a free trade agreement between Taiwan and the United States. Noting that the State of Kansas is active in promoting Kansas exports throughout the world to maximize business opportunities for the state's companies, the Department is unclear what the impact of a United States-Taiwan free trade agreement would have on relations with our other trading partners. As no formal United States negotiations with the Taiwanese government have been scheduled at this time, and given a lack of any detail on the specifics of an agreement and the economic impact on Kansas trade relations with Taiwan, the Department would like alternative language in the resolution to show our appreciation and support for our good friends in Taiwan. (Attachment 1)

Jack Chen, Director-General, Taipei Economic and Cultural Office, appeared in support of **SCR 1624** introduced at their urging believing a United States-Taiwan free trade agreement would bring with it economic and commercial benefits for both countries. They believe a free trade agreement would eliminate tariffs and non-tariff barriers, clarify rules of origin and customs procedures for the eligibility of goods, lower barriers to trade in services to allow United States exporters of services greater access to Taiwan's market, loosen investment restrictions to create new joint venture opportunities for the United States and Taiwan, and expand U.S. trade and export opportunities with the rest of the Asia-Pacific region. (Attachment 2)

As there were no other conferees, Chairman Johnson closed the hearing on **SCR 1624** and opened the floor for discussion.

CONTINUATION SHEET

MINUTES OF THE House Agriculture Committee at 3:30 p.m. on March 20,2006, in Room 423-S of the Capitol.

Gordon Self explained a balloon amendment to **SCR 1624** proposed by the Kansas Department of Commerce to amend the resolution by striking the language “a Taiwan-United States free trade agreement” on Page 1, Lines 9 and 10; and “the negotiation of a Taiwan-United States free trade agreement” on Page 2, Line 2; and inserting in both places the language “continued, mutually beneficial trade between Taiwan and the United States.” It was noted that the phrase “free trade agreement “ appears in three other locations in the resolution. (Attachment 3)

Representative Gatewood moved to adopt the balloon amendments to SCR 1624. Seconded by Representative Powell, the motion carried.

Representative Feuerborn moved to strike all “free trade agreement” language in SCR 1624. Gordon Self explained that this would strike Lines 30 through 41 on Page 1, in their entirety. Seconded by Representative Dahl, the motion carried.

Representative Dahl moved to recommend SCR 1624, as amended, favorably for adoption. The motion was seconded by Representative Carlson. The motion carried.

Presentation on HB 3018 - Creation of equine industry research and promotion board.

Jo Turner, Board of Directors, Kansas Horse Council, discussed **HB 3018** referred to the House Agriculture Committee this morning, too late in the session to schedule a hearing on the bill. She explained that the Kansas Horse Council is a non-profit organization that provides the Kansas equine industry with leadership and direction through education, promotion, and public policy advocacy. The Board would like to do more for the equine industry of Kansas, but needs additional funding. **HB 3018** would create a voluntary self assessment of \$.05 per 50 pounds of manufactured horse feed; the fee may be refunded should someone choose not to participate. She explained that this check-off idea was presented to them by Purina Mills who actively supports and administers the program. She noted that Maryland and Illinois both have passed feed check-off bills for the equine industry with very positive results. (Attachment 4)

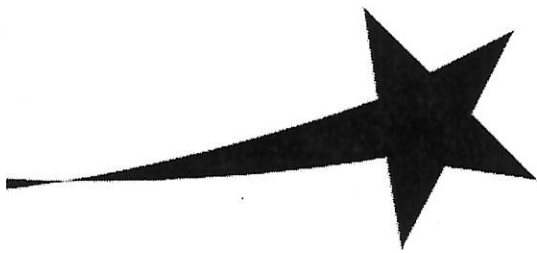
Chris Wilson, Kansas Dairy Association, provided dairy treats for the committee and informative information on the dairy industry in Kansas. Kansas ranked 18th among the states in dairy production in 2005 and 11th in milk production per cow. Kansas ranks first in production increases over the previous 5 years, with a 60.8 percent increase, and first in per capita milk production over the previous 5 years, with a 56 percent increase. (Attachment 5)

The meeting adjourned at 4:07 p.m. There are no further meetings of the House Agriculture Committee scheduled for the 2006 Legislative Session.



KANSAS
DEPARTMENT OF COMMERCE

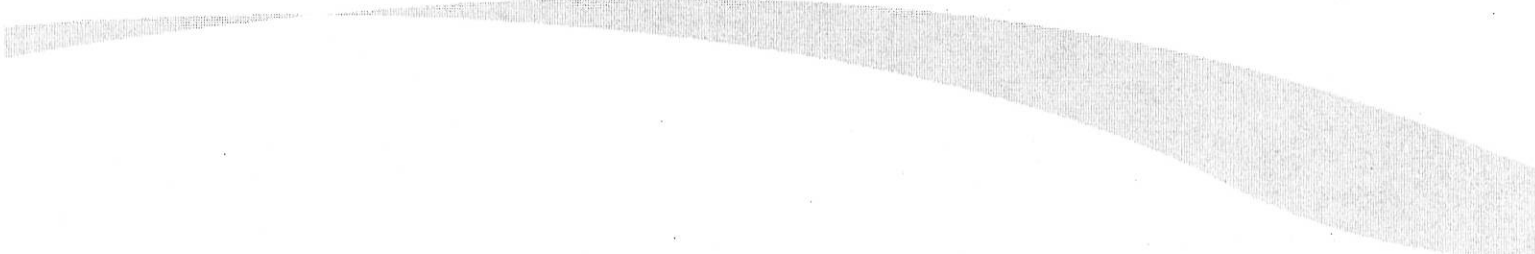
Howard R. Fricke, Secretary



Kansas-Taiwan Relations Resolution

House Committee on Agriculture

March 20, 2006



For more information on this topic contact:
John Watson, Director, Trade Development Division
Phone: (785) 296-1866
Fax: (785) 296-5263
jwatson@kansascommerce.com

www.kansascommerce.com

House Agriculture Committee
March 20, 2006
Attachment 1



K A N S A S

HOWARD R. FRICKE, SECRETARY

DEPARTMENT OF COMMERCE

KATHLEEN SEBELIUS, GOVERNOR

Testimony

The state of Kansas has been a friend of Taiwan and active in building business and trade relations for many decades. The Kansas Department of Commerce maintains a representative office in Taipei and we have exchanged many delegations of political leaders, including Taiwan procurement missions who have bought Kansas wheat, cattle hides and other agriculture products.

My division works closely with Director-General Jack Chen with the Taiwan Economic and Cultural Office (TECO) in Kansas City to advance our mutual interests in trade and friendship. The economic impact of Taiwan imports from Kansas is significant. In calendar year 2005, Taiwan customers imported over 80 million dollars worth of Kansas product, which ranks Taiwan as Kansas' 19th most important trading partner. We have seen our political leaders in the Kansas Legislature visit Taiwan on fact-finding missions most recently in November of 2005 and Governor Sebelius will meet next week with the TECO director to exchange views on our Kansas relationship with Taiwan.

The Kansas Department of Commerce is generally supportive the Senate Concurrent Resolution No.1624. We believe it is important to give witness to important international relations of the state, especially with good customers of our Kansas agricultural products. We would however wish to express our concerns over language in the resolution before this committee advocating increased trade through the enactment of a free trade agreement between Taiwan and the United States.

Mr. Chairman, I am certain the members of this committee are aware that the state of Kansas is active promoting Kansas exports throughout the world. We are working in many countries to maximize business opportunity for the state's companies. It is unclear what the impact of a US-Taiwan free trade agreement would have on relations with all of our trading partners. In discussion with the staff of the US Trade Representative Office (USTR) this morning, the USTR has not scheduled any formal negotiations with the Taiwanese government. Given a lack of any detail on the specifics of an agreement and the economic impact on Kansas trade relations with Taiwan, we hope the committee would find alternative language in the resolution before you to show our appreciation and support for our good friends in Taiwan.

1000 S.W. JACKSON STREET, SUITE 100, TOPEKA, KANSAS 66612-1354

Phone: (785) 296-3481 Fax: (785) 296-5055 e-mail: admin@kansascommerce.com

TTY (Hearing Impaired): (785) 296-3487 www.kansascommerce.com

1-2

Briefing on a U.S.-Taiwan Free Trade Agreement

Prepared by Jack Chen, Director-General, Taipei Economic and Cultural Office

March 20, 2006

- The United States and Taiwan enjoy one of the world's most important economic and strategic international relationships that exists today. Trade flows between the U.S. and Taiwan in 2004 equaled \$49.7 billion. Taiwan is the eighth largest trading partner of the U.S., its ninth largest export market overall, and the sixth largest customer for U.S. agriculture products. The U.S. is Taiwan's largest foreign investor. The United States and Taiwan promote a shared belief in freedom, democracy, human rights, and free market principles.
- The advantages of a U.S.-Taiwan FTA: 1. deepens an important economic and trade relationship; 2. demonstrates the mutual commitment of both of our economies to further trade liberalization; 3. promotes a high level of mutually beneficial investment ties; 4. boosts innovation-driven partnership in the information technology sector; 5. utilizes Taiwan as a gateway for expanding U.S. products and services exports within the Asia-Pacific region; and 6. promotes customs and security cooperation.
- A U.S.-Taiwan free trade agreement would bring with it economic and commercial benefits for both countries. It would help eliminate tariffs and non-tariff barriers. The rules of origin and customs procedures also would be clarified to provide clear guidelines for the eligibility of goods. Barriers to trade in services would be lowered to allow U.S. exporters of services to gain greater access to Taiwan's market. Investment restrictions would be loosened to create new joint venture opportunities for the U.S and Taiwan.
- The U.S. International Trade Commission (ITC), a federal agency, and the Institute for International Economics (IIE), a respected think tank, have done studies showing that, with an FTA in place, U.S. exports to Taiwan will increase by 16% (U.S. ITC's estimate) or US\$6.6 billion (IIE's estimate) annually. Signing an FTA between the U.S. and Taiwan would be mutually beneficial for both countries and a natural "next step" for an already close trading partnership.
- A U.S.-Taiwan free trade agreement would satisfy important U.S. domestic constituencies whose interest in and support for the agreement are well documented. It also would encourage economic development and stability in the wider Asia-Pacific region. It represents the best possible means of achieving closer integration between Taiwan and U.S. economies, and of expanding U.S. trade and export opportunities with the rest of the Asia-Pacific region.
- A U.S.-Taiwan free trade agreement would reinforce the already strong historical bonds of friendship and cooperation that characterize our bilateral relationship.

Senate Concurrent Resolution No. 1624

By Senators Steineger and D. Schmidt

3-9

9 A CONCURRENT RESOLUTION supporting a ~~Taiwan-United States~~
10 ~~free trade agreement.~~

continued, mutually beneficial trade between Taiwan and the United States

12 WHEREAS, Taiwan and the United States enjoy one of the most im-
13 portant economic and strategic international relationships; and

14 WHEREAS, Together, Taiwan and the United States promote a
15 shared faith and respect for freedom, democracy and free market prin-
16 ciples; and

17 WHEREAS, Taiwan and the United States have worked hand-in-hand
18 to preserve peace and stability within the Asia-Pacific region and to help
19 improve the lives of their citizens and people around the world; and

20 WHEREAS, Trade between Taiwan and the United States has in-
21 creased significantly during the past decades, with the United States being
22 Taiwan's second largest source of imports and Taiwan being the eighth
23 largest trading partner of the United States; and

24 WHEREAS, Taiwan is a major trading partner with the United States
25 and also an important overseas market for United States agricultural prod-
26 ucts, and given the remarkable economic performance of Taiwan and the
27 strong purchasing power of its 23 million people, there are many oppor-
28 tunities to further expand bilateral trade between the United States and
29 Taiwan; and

30 WHEREAS, Streamlined foreign investment procedures developed
31 under a Taiwan-United States free trade agreement would lead to further
32 investment by firms in both Taiwan and the United States and would
33 create new business opportunities and new jobs; and

34 WHEREAS, A Taiwan-United States free trade agreement would en-
35 courage greater innovations and manufacturing efficiencies by stimulating
36 joint technological development, practical applications and new cooper-
37 ative ventures; and

38 WHEREAS, A recent study by the United States International Trade
39 Commission supports the negotiation of a Taiwan-United States free
trade agreement to further boost trade between the two countries and
serve the broader interests of the United States in the Asia-Pacific region:

42 Now, therefore,

43 *Be it resolved by the Senate of the State of Kansas, the House of Rep-*

House Agriculture Committee
March 20, 2006
Attachment 3

1 *representatives concurring therein:* That the Kansas Legislature supports
2 ~~the negotiation of a Taiwan United States free trade agreement, and~~

3 *Be it further resolved:* That the Secretary of the Senate be directed
4 to send an enrolled copy of this resolution to the President of the United
5 States, the United States Secretary of State, the United States Secretary
6 of Commerce, the United States Trade Representative and to each mem-
7 ber of the Kansas Congressional Delegation.

continued, mutually beneficial trade between Taiwan and the United States

3-2

STATEMENT OF JO TURNER
TO THE HOUSE AGRICULTURE COMMITTEE
REPRESENTATIVE DAN JOHNSON, CHAIR
REGARDING H.B. 3018

MARCH 20, 2006

Chairman Johnson and Members of the Committee, my name is Jo Turner. I am a past president and currently serve on the Board of Directors of the Kansas Horse Council (KHC). Additionally, I own Roy Frey Western, a North Topeka small business. I greatly appreciate the Committee introducing H.B. 3018 and I am grateful for the opportunity to speak to you today in support of this bill.

The Kansas Horse Council is a non-profit organization that provides the Kansas equine industry with leadership and direction through education, promotion and public policy advocacy. The KHC has over 700 KHC members. A \$1 million dollar insurance policy comes with each membership as well as purchasing discounts. For the past nine years the KHC has hosted the Kansas Equifest in Wichita, a equine educational event with leading trainers from all over the nation conducting seminars, a 160 vendor trade show and a place to showcase Kansas bred horses and training programs. This event brought visitors from Alabama, Arizona, Texas, Oklahoma, Missouri, Nebraska, Colorado, Canada and Mexico this year along with 17,000 Kansas attendees. The Kansas Equifest is one of the top six equine events in the United States with an economic impact of over \$2 million for 3 days. The KHC was instrumental in passing H.B. 2222 (Kansas Equine Limited Liability Law) now KSA 60-4001 through 60-4004 which protects horse owners from frivolous lawsuits. KHC members receive discounts on the purchase of the all weather liability signs notifying people of the law and protecting the equine owners where posted. The Kansas Horse Foundation awards scholarships to member's children who choose to pursue a career in the equine industry.

As you can see, the KHC is an active volunteer board. This board wants to do more for the equine industry of Kansas. The KHC needs additional funding to support equine research, education and promotion. Maryland and Illinois have both passed feed check off bills for the equine industry with very positive results. The check off idea was presented to the KHC by Purina Mills who actively supports and administers this program. H.B. 3018 would create a voluntary self assessment of \$.05 per 50 pounds of manufactured horse feed, equating to \$1.80 per horse per year, which would be paid at the retail level and submitted quarterly by manufacturers to the Equine Industry Research and Promotions Board who would distribute the funds by means of grants. The fee may be refunded should someone choose not to participate. The check off program prototype is used by many other industries such as beef, pork, dairy, soybeans, fruits, vegetables, grains and propane on both State and Federal levels. This is not a sales tax because it is refundable. It would create additional, but minimal administration for the feed distributors. Horsemen helping horsemen is what this bill is all about.

The economic impact of the H.B. 3018 will benefit not only the horse industry in Kansas, but all economic sectors with direct or indirect links to equine activities including food sales, fuel sales, hotels, truck, trailer and tire sales and repair, feed, hay and livestock equipment and products.

Kansas currently ranks 21st in number of horses by state with a horse population of 178,651 (from American Horse Council). Based on a 1996 equine survey, Kansas has 28,000 equine operations employing 2,340 workers using over 944,000 acres with asset values (equine on hand, land, fences, buildings vehicles, equipment, tack and feed and supplies) of over \$1 billion dollars. This averages out to over \$10,000 per equine. Kansas is home to 93 stables, 116 equine organizations and 115 4-H Clubs.

The fastest growing area in the equine industry is recreational trail riding. Kansas has horse trails in the majority of the State Parks and is ripe for promoting travel and tourism through out this

House Agriculture Committee
March 20, 2006
Attachment 4

beautiful state. Purina hosted a Dream Ride in the Flint Hill this past fall with riders from all across the United States. This was a sold out event.

The Olympics will soon add Reining (a western form of Dressage) to its event list. Kansas has one of the leading National Reining Horse trainers based in Ottawa. The Kansas Reining Horse Association hosted an international event last August in Topeka that brought in trainers and horses from all across the United States and Germany, England, Brazil, and Sweden.

The recently elected national president of the American Quarter Horse Association(AQHA), headquartered in Amarillo, Texas, is a native Kansan from the southwest Kansas community of Lakin. The 2005 AQHA Super Horse of the year resides in Bucyrus.

Kansas State University, Colby, and Dodge City all have equine degree programs. Fort Scott, Garden City, and Hays all have college rodeo teams. Kansas State University and Kansas University both have equestrian teams.

The 2005 National Barrel Horse Association Kansas State Championship event at the Kansas Expocentre drew over 650 contestants and 498 horses. The total economic impact of this week-end event is \$2,175,000.00. The Kansas Expocentre hosts approximately 20 large equine events during the year, bringing an economic impact well over \$25 million to Topeka.

The economic impact of equine events helps all sizes of communities, be it a horse show, rodeo, trail ride, roping or barrel race jackpot or a 4-H event. As a small business owner I can attest to the dramatic increase in business traffic associated with equine events held in the Topeka area. Historically, large events held at the Expo Center and the North Topeka Saddle Club result in as much as a 400% increase in sales during the days scheduled for the event.

The Kansas Equine Industry Research and Promotions Board would determine the distribution of funds equally between research, education and promotions. Preference will be given to the projects benefiting the largest number of people or horses. Here is an example of how the Illinois Equine Industry Research and Promotion Board recently distributed more than \$55,000 in grants:

1. Equine ambulance for use through out the state
2. Creation of educational materials to introduce pre-school deaf and hard of hearing children to horses and farm life.
3. Material to construct safe stalls for County Fair and 4-H Horse Shows
4. Ring maintenance equipment for therapeutic horse riding program
5. Conference fees for early career equine veterinary students
6. Funding for establishing a 4-H Horse Leaders Conference
7. Seminars and clinics for equine education in 27 counties
8. Pasture rehab project to promote and study equine health
9. Equine research on stress and reproduction

Kansas is extremely rich in western heritage and very passionate about horses as demonstrated by the many breeds and uses of equine in the state. The \$1 billion dollar equine industry of Kansas is relatively silent but it is a mighty force which truly needs a vehicle to help spark growth and sustain industry development. I can think of no better way to achieve this spark than having the horse owners contribute to their own success thru the passage of H.B. 3018.

We encourage the Committee to report H.B. 3018 favorable for passage. Thank you for your consideration, and I will be glad to respond to questions at the appropriate time.

Illinois Equine Industry Research & Promotion Board



About Us | Directors & Committees | Forms & Signage | Contact Us | FAQs | Horsemen's Council of IL | IL Horse Fair

2005 Grant Awards Announced

U. of I. Animal Science Dept. receives Equine Promotion Board grant to study optimum time for equine breeding

Springfield, IL – Researchers from the University of Illinois Saturday (March 5) received an \$8,000 grant from the Illinois Equine Industry Research & Promotion Board (EPB) to work toward determining critical LH concentration for ovulation induction in mares.

Kevin H. Kline, PhD, and Kristine M. Doyle, U. of I. Department of Animal Science, received the grant from Lois A. Guyon, EPB chair, and Chuck Hartke, director, Illinois Department of Agriculture, during ceremonies at the Illinois Horse Fair in Springfield.

The grant is one of seven awarded, totaling nearly \$28,000. Funding comes from voluntary assessments of 5 cents per 50-pound bag of horse feed, collected from feed manufacturers and passed along to feed buyers at the retail level. Grants awarded Saturday are funded from 4Q 2004 collections. Additional grants will be made as future funds become available.

In making the presentations, Guyon recognized the Horsemen's Council of Illinois for its work in bringing about the legislation that established the checkoff last year "and all of you who voted to approve the referendum and continue to support it with your voluntary assessments," she said to the capacity crowd gathered in the Livestock Center where nearly 30 different equine breeds/sports/disciplines were demonstrated. Illinois Horse Fair annually attracts more than 10,000 horsemen to the three-day event in March at the Illinois State Fairgrounds.

"As we go forward, we do so with the assurance that by law, all of the money collected must and can only be used to support equine research, education and promotion," Guyon told the assemblage. As envisioned by the legislation and the EPB, approvals will be split about 50/50 between research and education and equine promotion, she said.

Any group, individual, company or institution may apply for funding. It is the sole responsibility of the EPB's grant selection committee to determine who receives grant money, with preference given to projects benefiting the largest number of people or horses.

The U. of I. inquiry stems from the fact that fertility in the horse is relatively low compared to other species. The national foaling rate may be as low as 65% each year. This costs the equine industry millions of dollars a year.

Part of the problem is that the length of estrus can vary greatly among mares, making it difficult to predict the time of ovulation and the optimum time for breeding.



4-3

According to Kline, if a method to accurately predict the time of ovulation can be developed, it could greatly increase the foaling rate. The research proposes to identify the critical concentration of Luteinizing Hormone (LH) that will induce ovulation in the mare and correlate it with concentration of estrogen present in the blood at this time in order to develop a test that more reliably determines the optimal breeding time, Kline says.

A provision of the EPB grant is that results of this research, along with any other such projects funded by the EPB, must be shared with the Illinois equine industry.

Other grants awarded Saturday go to:

Central Illinois Riding Therapy (East Peoria), \$6,000 toward purchase of a dump truck so the group can haul shavings donated by Caterpillar. The quantity of shavings donated is large enough not only to bed all the group's horses, but to be sold as a continuing revenue source to support the group's programming.

University of Illinois Extension, Equine Education for Youth and Adults (Franklin County office) \$5,000 for equipment to increase horse-related programs in southern Illinois.

Equine Science Program at Southern Illinois University, \$3,200 to study natural behaviors, management and equine welfare.

Illinois 4-H Program Expansion Project, \$2,250 for a new horse judging contest and oral reasons clinics.

LaSalle County Sheriff's Mounted Posse, \$1,600 for global positioning satellite equipment to help the all-volunteer group in search and rescue operations while demonstrating the usefulness of horses for the purpose..

Mounted Angels Therapeutic Horsemanship (Pike County), \$1,600 toward purchase of a cargo trailer for handicapped rider equipment transportation and storage.

About the Equine Promotion Board

The Illinois Equine Industry Research and Promotion Board is an Illinois not-for-profit entity, organized to provide research, promotion and education for the equine industry in Illinois. Authorized by the enabling legislation, the Equine Promotion Board collects a voluntary assessment on equine feed purchased in Illinois. Run by a 12-member board of directors, the Equine Promotion is responsible for the collection, monitoring and disbursements of the equine checkoff funds.

Mission Statement - Core Purpose

The core purpose of the Illinois Equine Industry Research and Promotion Board is to enhance the Illinois equine industry through self-funded programs, projects and activities.

Board of Directors

Chairman of the Board

***Lois Guyon
Streator***

Lois Guyon of Streator, appointed to a two-year term, is an active volunteer with the LaSalle County Sheriff's Mounted Unit and is a member of Illinois Trail riders, Washee Riders and Illinois Valley Horsemen's Association. "While I represent pleasure horses, I also see the horse used in support of policing activities as well as an ambassador to the public, areas I would like to see further developed,"

4.4

she says. Lois serves as the Chairman of the Equine Promotion Board.

Vice Chairman of the Board

Frank Bowman
Pleasant Plains

Frank Bowman of Pleasant Plains, appointed to a three-year term, is president of the Horsemen's Council of Illinois, and has a Missouri Fox Trotter breeding, training and showing operation with emphasis on recreational uses of horses, including trail riding. Bowman serves as Vice Chairman of the Equine Promotion Board.

Secretary

Anne Gallagher
Walnut

Anne Gallagher of Walnut, appointed to a three-year term, operates a Thoroughbred foaling farm along with her husband. "I have no political or personal motives other than sincere interest to benefit the horsemen of this state," Gallagher said in applying for a board position. Gallagher is a member of the Illinois Thoroughbred Breeders & Owners Foundation, American Quarter Horse Association, American Paint Horse Association and Illinois Trail Riders Association. She is a Horsemen's Council of Illinois director and a 4-H leader. Anne serves as the Secretary of the Equine Promotion Board.

Treasurer

Lisa Wentworth
Decatur

Lisa Wentworth of Decatur, appointed to a one-year term, has been breeding and showing quarter horses for 30 years, is a member of the Illinois Quarter Horse Association show and contest committee, and includes horses from western pleasure to hunters in her background. "The key is getting all the breeds working together to promote the Illinois equine industry," she says. Lisa serves as the Treasurer of the Equine Promotion Board.

Board Members

Penny Boyer
Marshall

Penny Boyer of Marshall, appointed to a two-year term, is a University of Illinois-approved judge who has been associated with horses most of her life and has a special interest in "implementing programs to benefit young people," she says. Boyer operates Little Creek Ranch Equestrian Center where she breeds, trains and shows quarter horses and provides riding lessons to children and adults. Prior to opening the equestrian center, Boyer managed her husband's veterinary practice.

Kirk Dailey
Ashton

Kirk A. Dailey, Chicago district manager for Purina Mills and the feed company's equine specialist for northern Illinois, has been named to the Illinois Equine Industry Research and Promotion Board (EPB), replacing Jeff Adkisson as the board's representative from the feed and grain industry.

"Horses are our lives in the Dailey family," Kirk says, referring to the Quarter Horses he keeps at home in Ashton, IL, and the 20 to 40 head his father keeps on the 104-acre family farm in Livingston, WI, in addition to standing an AQHA Buckskin stallion and the 16-20 mares he breeds each year. Kirk and his father hold two consignment auctions a year in Livingston, drawing buyers and sellers from all the large horse population states.

Janet Emerson
Golconda

Janet Emerson of Golconda, appointed to a one-year term, has owned horses for 45 years, having shown quarter horses 22 years and raced harness horses for the last 23 years. She is a member of the United States Trotting Association, Illinois Standardbred Owners and Breeders Association, Illinois Harness Horse Association and the Kentucky Harness Horse Association. She considers her knowledge of the industry's importance in terms of employment and recreational opportunity to be an asset to the board.

Jean Greenlee
Caldonia

Jean Greenlee of Caldonia, appointed to a one-year term, holds membership in Illinois Trail Riders, Northern Illinois – Southern Wisconsin Trail Riders Association, Valley Trail Riders, Local Greenways Committee, County Forest Preserve Equine Committee, and Winnebago County 4-H Horse and Pony Committee. "The large number of trail riders throughout Illinois need a voice in promotion," she says.

4.5

Steve Hollewell
Milledgeville

Steve Hollewell of Milledgeville, appointed to a two-year term, operates a breeding farm and boarding business and is active in 4-H programs. He is a member of the Midwest Arabian Horse Club, Wisconsin State Horse Council (holds a WSHC judging card), Northern Illinois Arabian Activities Horse Club, and Carroll County 4-H Horse and Pony Committee. "I would like to help promote all aspects of the equine industry in Illinois," he says

Sam Lilly
Downers Grove

Sam Lilly of Downers Grove, appointed to a one-year term, publishes a monthly Illinois Standardbred magazine and is a member of the Illinois Harness Horsemen's Association, Illinois Standardbred Breeders and Owners Association, and the Illinois Council of Food and Agricultural Research. "I am confident that I will place that (my association affiliations) in perspective for the good of the equine industry as a whole," he says.

Joy Meierhans
Elburn

Joy Meierhans of Elburn, appointed to a three-year term, manages the Illinois Horse Fair and is both a horse show manager and equine event planner who serves as a director of the Mid-America Horse Show Association and the Horsemen's Council of Illinois. She is a member of U. S. Equestrian and the American Saddlebred Horse Association. "With a background in showing Saddlebreds and ponies, and managing the largest non-racing equine event in Illinois, I'll bring a balanced view of the needs for research, promotion and outreach programs," she says.

Dean Scoggins, D.V. M.
Villa Grove

Dean Scoggins, of Villa Grove recently retired as Equine Extension Veterinarian at the University of Illinois College of Veterinary Medicine and College of ACES after 27 years. He earned his Doctor of Veterinary Medicine degree from Michigan State University and has been a horse owner, breeder and trainer for more than 50 years with a special interest in equine behavior and dentistry. He has served on the board of directors of the American Association of Equine Practitioners (AAEP) that serves a,000 members worldwide with more than 200 in Illinois. He has given seminars and clinics throughout Illinois, the United States and Canada on health, training, care and welfare of the horse. Dr. Scoggins is a founding member and director of HCI and was instrumental in formation of the Illinois equine check off program, having been present at many of the conceptual meetings with the Illinois Department of Agriculture. He possesses a valuable working knowledge of the grant process.

Enabling Legislation

The enabling legislation **Illinois Equine Industry Research & Promotion Act (PA 93-0135)** establishes the structure and provides for a "volunteer" assessment of \$2.00 per ton on commercial horse feed that will be dedicated to:

- The continuation and expansion of existing and development of new equine programs that enhance the growth of the Illinois Horse Industry, an industry that is made up of 77,000 Illinois horse owners and over 15,500 Illinois jobs.
- Funding for research and educational programs and developments in the equine industry beneficial to all equine owners in the state.
- The creation of informational and promotion programs and greater involvement in the equine industry by the citizens of the state.

The program requires no State resources, requires no State funding and is not a tax. Rather it is a structure that will enable the horse industry, in a volunteer manner, to self-fund the programs. In the Illinois fiscal environment, it is vital that we act to ensure that equine programs and services remain an ongoing benefit to Illinois citizens and the Illinois economy.

Further, the funds collected from the Equine Promotion Board will be returned to the equine industry through self-funded programs, projects and activities -- not funneled to state GRF!

4-6

ILLINOIS EQUINE INDUSTRY
RESEARCH AND PROMOTION BOARD



P. O. Box 1605 Springfield, IL 62705
217.585.1600 (phone) 217.585.1601 (facsimile)
www.HorsemensCouncil.org
info@ILEquinePromotionBoard.com

4-7



Kansas Dairy Facts

Kansas ranked 18th in U.S. milk production in 2005, after moving into the top 20 for the first time in 2002, and ranking 19th in 2003. Kansas ranks first in production increases over the previous 5 years, with a 60.8% increase, and first in per capita milk production over the previous five years, with a 56% increase. Kansas is #11 in milk production per cow.

Dairy cows give an average of 6-1/2 gallons of milk per day. That's over 100 glasses of milk—enough for 33 children to have 3 glasses each day!

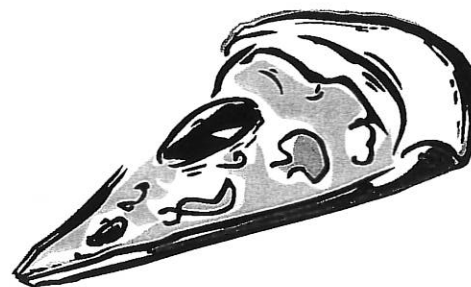
Twenty-five gallons of milk can make 9 gallons of ice cream, 25 pounds of cheese, or 11 pounds of butter. It takes about 30 cups of milk to make 1 pound of butter.

Even though you buy milk by the gallon or half gallon in the store, farmers sell their milk like any other farm commodity—by weight. Farmers sell milk in hundred pound units and are paid based not only on pounds of milk produced but also on milk quality. Today, producers also receive a financial premium based on pounds of protein and butter in their milk.

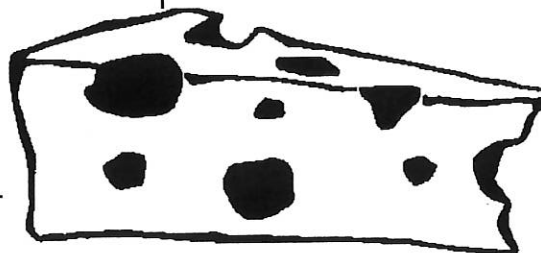
Dairy farming is highly regulated and milk is one of the safest products in the supermarket. Milk is never touched by human hands in its journey from the cow to your refrigerator. All Kansas dairy farms are inspected and licensed by the State Department of Agriculture before milk produced there can be sold. Milk is tested for purity and quality before it leaves the farm. It's tested again before it is unloaded from the transport truck and again at the processing plant to ensure it is safe for human consumption.

Did you know that....

- The average Kansan eats 30 pounds of cheese per year.
- A gallon of milk weighs 8.6 pounds! That's why it's so heavy.
- Milk is sometimes called nature's most nearly perfect food.
- The most popular flavor of ice cream is vanilla, followed by chocolate.
- The United States is the world's largest producer of cheese.
- People crave cheese more than any other food.



- McDonalds sells 190 million cartons of milk, 800 million milk shakes, 550 million ice cream desserts, 185 million pounds of cheese, and 1 billion dairy creamers annually.
- Starbucks' coffee mocha has 11 ounces of milk and 1 ounce of coffee. Bagel stores have increased cream cheese sales by 300%.
- Americans eat about 350 slices of pizza per second, that's equivalent of 10 acres of pizza a day. This \$25 billion dollar industry is expected to increase 5% per year for the next 4 years.
- Pizza Hut's Triple Decker Pizza uses 1 pound of cheese for each pizza and increased sales of milk equivalent to 800 million pounds. In one year, Pizza Hut sells 80 million pizzas. Dominos sells 1 million pizzas on Christmas Eve and another million on Super Bowl Sunday.

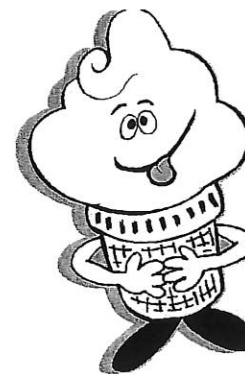


Dairy Cow Facts

- All cows are females. Like humans, they cannot make milk until they give birth. Males are called bulls.
- The gestation period for a cow is 9 months. Cows usually have their first calf when they are two years old. Most cows are milked for 3-6 years.
- The average cow eats for 6 hours a day and chew her cud another 8 hours each day. In one day, her jaw movements total 41,360.
- Cows have four stomachs: the first one, called the rumen, softens the feed. In the second stomach, called the reticulum, the cud is formed. The third stomach – the omasum – breaks up the cud and the fourth stomach—the abomasum—digests the cud.
- Cows have big appetites. Every day, they eat about 90 pounds of feed (hay, grain, & silage) and drink 25-50 gallons of water. Ninety pounds of feed is equal to about 480 hamburgers and 25-50 gallons of water is nearly a bathtub full.
- A dairy cow weighs about 1,500 pounds.
- The average cow produces about 25 pounds of milk in one milking (about 45 cups); 50 pounds of milk per day (about 90 cups); 15,000 pounds of milk in a year (about 28,000 cups); and 107,000 pounds of milk in a lifetime (200,000 cups).
- Cows can hear higher & fainter sounds than humans and have an acute sense of smell—sometimes detecting a scent over six miles away.

The major breeds of dairy cows are: Holstein (black & white); Jersey (yellowish-brown); Guernsey (tan & white); Brown Swiss (dark brown or gray); Ayrshire (white & red); & Milking Shorthorn (red or red roan).

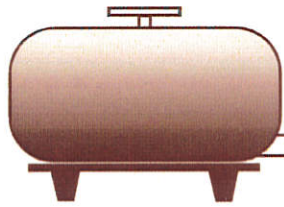
This information is brought to you courtesy of the Kansas Dairy Commission, putting producer dollars to work in Kansas. Contact the Commission office at 785-456-8357; email: chris@ksdairy.org; 4210 Wam-Teau Drive, Wamego, KS 66547.



5-2

Dairy Nutrition Facts

- Milk & Milk Group Foods are one of the richest sources of calcium in the American diet. Milk also contains vitamin D, vitamin A, vitamin B-12, niacin, thiamin, potassium, protein, magnesium, phosphorus, and riboflavin.
- The Daily Food Guide Pyramid calls for 3-4 servings from the Milk Group every day. Only 30 percent of teenage boys and 12 percent of teenage girls meet this recommendation.
- Dairy food have a unique package of nutrients that keep your bones strong and healthy—like calcium, vitamin D, phosphorus, potassium, and protein.
- Examples of dairy foods are: Milk, cream, cheese, yogurt, cottage cheese, sour cream, cream cheese, buttermilk, ice cream, ice milk, and butter.



MARKETING SERVICE

BULLETIN

2005 Milk Production

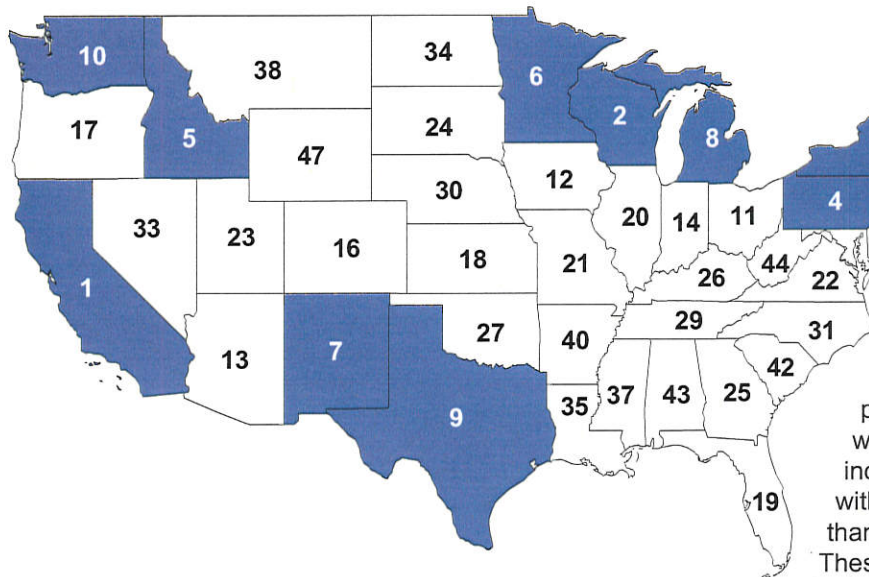
U.S. milk production during 2005 increased 3.5% compared with 2004, climbing to a record 177 billion pounds. The 2005 total is 6.1 billion pounds greater than the previous record of

170.9 billion pounds produced during 2004. Milk production has exceeded year earlier levels during eight of the last nine years, with the lone exception occurring during 2001. Production in the U.S. has increased by 9.4 billion pounds over the past five years (2005 versus 2000), a gain of 5.6%.

Thirty-one states registered annual milk production increases during 2005, with the percentage increases averaging 4.2% compared with 2004. Wyoming recorded the largest percentage gain for the second consecutive year, with milk production increasing by 17.2%. Idaho (+11.7%) was the only other state that registered an annual milk production increase of 10.0% or more. Six additional states recorded increases of 5.0% or more: Colorado (+7.5%); Texas (+7.2%); Montana (+6.9%); South Dakota (+6.7%); Nevada (+6.5%); and Michigan (+6.4%). Conversely, 5 states reported annual decreases of five percent or more, with Hawaii's 13.5% decrease being the largest. Other states posting declines of more than five percent were Louisiana (-9.6%), Alabama (-8.6%), Arkansas (-8.1%), and Alaska (-7.5%). In total, eighteen states posted production decreases during 2005, with the percentage decreases averaging -

4.2%. (West Virginia's 2005 production was unchanged compared with 2004.)

2005 Milk Production Ranking Top Ten States Highlighted



The map on this page ranks milk production by state for 2005, with the top ten milk producing states shaded. The graphics on page 4 depict the states with the largest percentage increases and decreases in milk production comparing 2005 with 2000.

Seventeen states recorded milk production increases comparing 2005 with 2000. The average percentage increase for these states was 18.9%, with seven states posted increases larger than the 17-state percentage average. These seven were Kansas (+47.8%), Idaho (+40.7%), Oregon (+39.3%), New Mexico (+32.8%), Indiana (+30.9%), Arizona (+23.4%), and Colorado (+22.0%).

The only other states to post double digit increases compared with 2000 were Michigan (+18.1%), California (+16.4%), Nevada (+13.9%), Texas (+12.3%), and Montana (+10.1%).

Thirty-three states recorded production decreases between 2000 and 2005, with an average percentage decline of 16.5%. Fifteen of these states recorded decreases greater than the average percentage loss. These were:

Hawaii	-40.2%	Arkansas	-38.8%	Louisiana	-38.0%	Alabama	-35.6%
Rhode Island	-33.7%	Mississippi	-29.6%	West Virginia	-26.8%	North Dakota	-23.2%
Massachusetts	-22.9%	South Carolina	-21.6%	Tennessee	-21.6%	New Jersey	-21.3%
Connecticut	-20.0%	Kentucky	-19.1%	Missouri	-17.0%		

FEBRUARY 2006



Annual Milk Production

Top Five Dairy States

The graph at the top of this page depicts annual milk production since 1990 for the nation's top five milk producing states. All five states recorded increases comparing 2005 with 2004, led by Idaho with an 11.7% gain. Pennsylvania (+4.4%) reported the second largest increase followed by New York (+3.7%), Wisconsin (+3.5%), and California (+3.1%). California was the only state to record a production increase each year during this 15-year period - increasing production by 79.3%, while Idaho posted the largest percentage gain (+244.6%). New York (+9.1%) and Pennsylvania (+5.7%) also posted increases compared with 1990, while Wisconsin (-6.3%) recorded the lone decrease in milk production during this time period.

The map on page 6 provides a ranking of states based on 2005 milk production per cow. California, Idaho, Michigan, New Mexico, and Washington are the only states ranked in the top ten in both total milk production and production per cow. Idaho (22,332 lbs./cow) and California (21,404 lbs./cow) were the only top five states with production per cow above the 2005 national average of 19,576 pounds.

2005 Per Capita Milk Production

Per capita milk production is a data series presented annually in this Bulletin. A comparison of this series to per capita consumption data

may reflect the aggregate supply and demand balance for individual states and regions throughout the U.S. The table on page 7 details and compares per capita milk production by state for 2005, 2004, and 2000. This table lists the states in descending order based on 2005 per capita production. The states with per capita production of more than 600 pounds are inside the shaded area of the table. Seven of the top ten states in total production are also in the top ten in per capita production. These seven are California, Idaho, Minnesota, New Mexico, Pennsylvania, Washington, and Wisconsin.

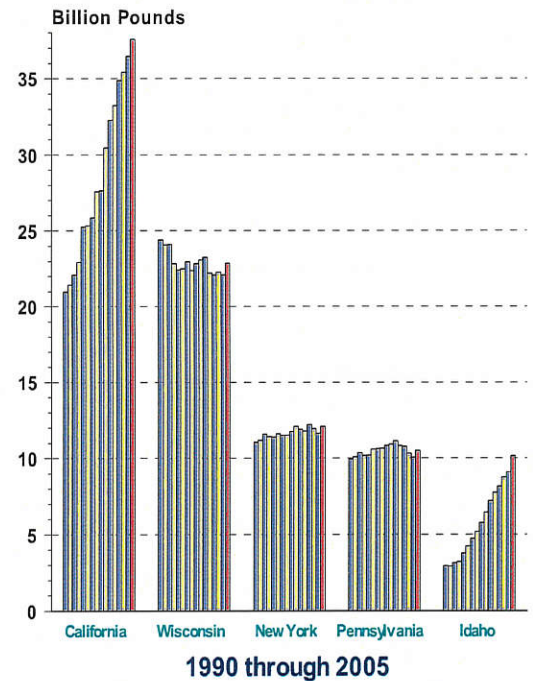
Data used in these calculations indicates that per capita production for 2005 was up 15.0 pounds (+2.6%) compared with 2004. Twenty-six states reported annual per capita increases during 2005, the largest being Wyoming with a gain of 16.4%. Idaho (+9.1%), Michigan (+6.2%), Colorado (+6.0%), South Dakota (+6.0%), Montana (+5.9%), and Texas (+5.4%) were other states with an increase of five percent or greater. Hawaii recorded the largest per capita production decline during 2005, with a loss of 14.4%. Louisiana (-9.9%), Alabama (-9.2%), Arkansas (-9.0%), Alaska (-8.4%), and Tennessee (-5.7%) were the only other states that recorded decreases of five percent or more compared with 2004.

Per capita production for the U.S. increased by 3.2 pounds, or +0.5%, between 2000 and 2005. Thirteen states recorded increases in per capita milk production, led by Kansas's 44.9% gain. Oregon (+31.2%), Idaho (+27.9%), Indiana (+27.1%), New Mexico (+25.4%), Michigan (+16.1%), and Colorado (+13.1%) were states posting per capita increases of ten percent or more comparing 2005 with 2000. Hawaii, Arkansas, and Louisiana recorded the largest decreases, with per capita production falling by 43.1%, 41.0%, and 38.7%, respectively. Twelve additional states posted declines of more than 20%, while 11 states reported decreases between 10 and 20%.

The map on the top of page 3 depicts per capita milk production by state for 2005. The 300 and 600 pound levels of per capita production are arbitrary divisions selected for this map. The 600 pound level approximates total annual per capita dairy consumption on a milk equivalent basis, while the 300 pound level reflects average annual consumption of Class I and Class II products (fluid and soft manufactured products), plus reserve requirements. A cursory analysis of regional milk supply conditions can be performed by examining the shading patterns prevalent in the individual regions.

The map at the bottom of page 3 displays the percentage change in per capita milk production by state between 2000 and 2005. The data represented by this map reflects changes in production combined with population changes. The graphics on page 5 depict the states with the largest percentage increases and decreases from 2000 to 2005.

The graph on page 6 provides a ranking of the top five milk producing states in total milk production, production per cow, and production per capita. The graph on the last page of this Bulletin depicts milk production per capita for the U.S. over the last 26 years.



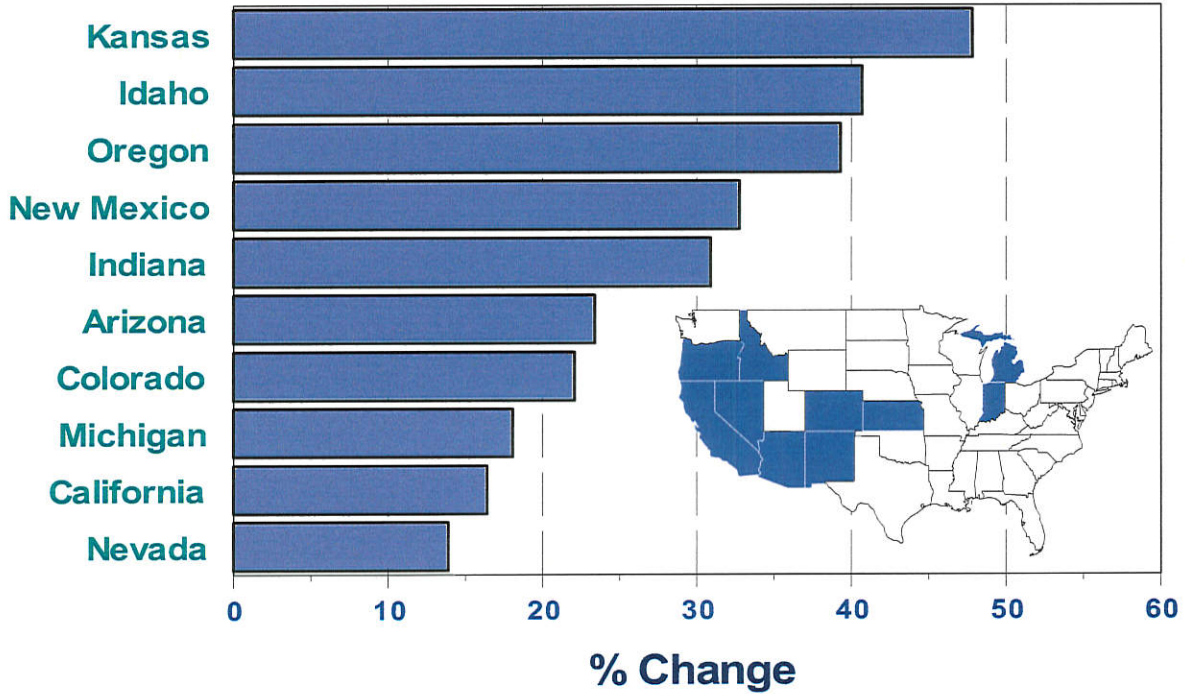
Percentage of 2005 U.S. Totals

	U.S. Milk Production	U. S. Population Estimate
California	21.22	12.19
Wisconsin	12.92	1.87
New York	6.82	6.50
Pennsylvania	5.93	4.19
Idaho	5.74	0.48
5-State Total	52.63	25.23

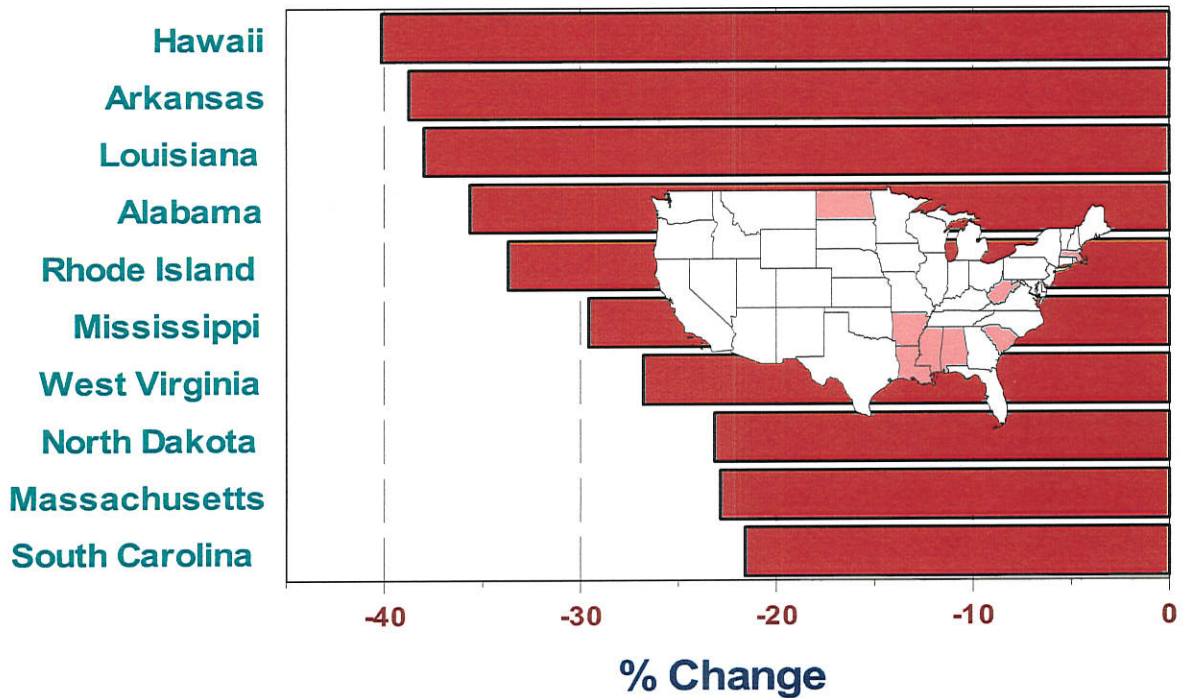
Milk Production: 2005 vs 2000

U.S. Average = +5.6%

Largest Production Increases



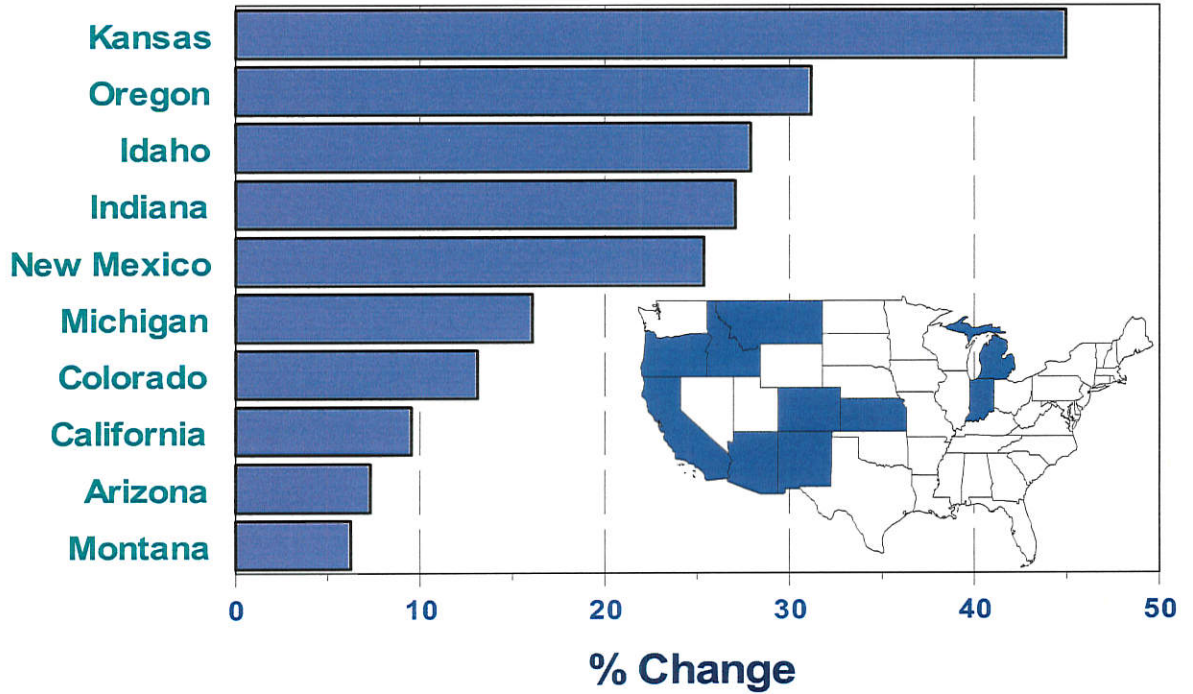
Largest Production Decreases



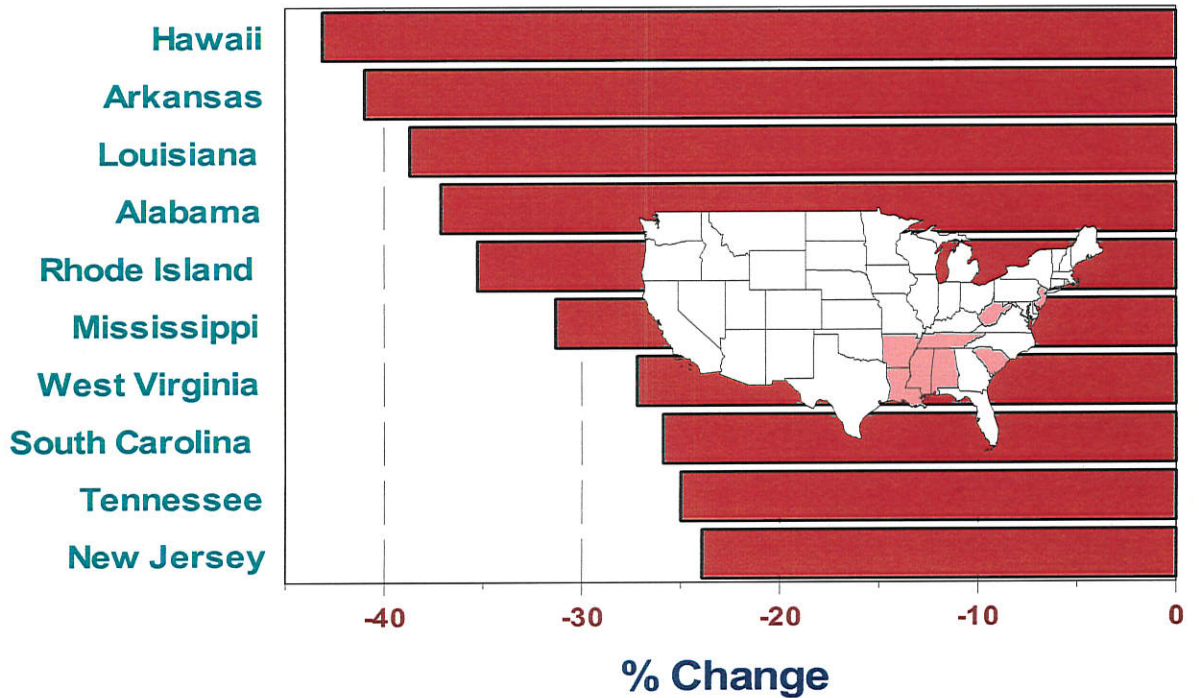
Per Capita Milk Production: 2005 vs 2000

U.S. Average = +0.5%

Largest Per Capita Increases

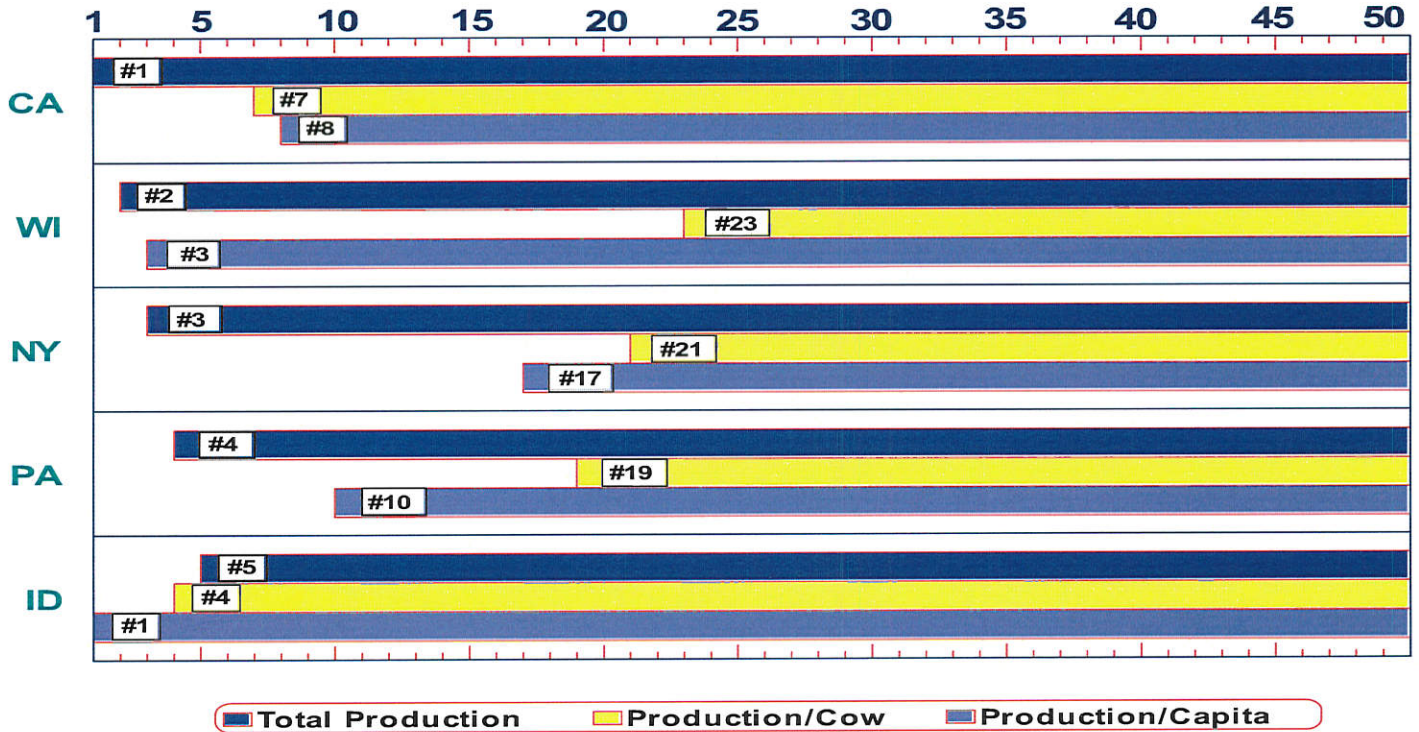


Largest Per Capita Decreases

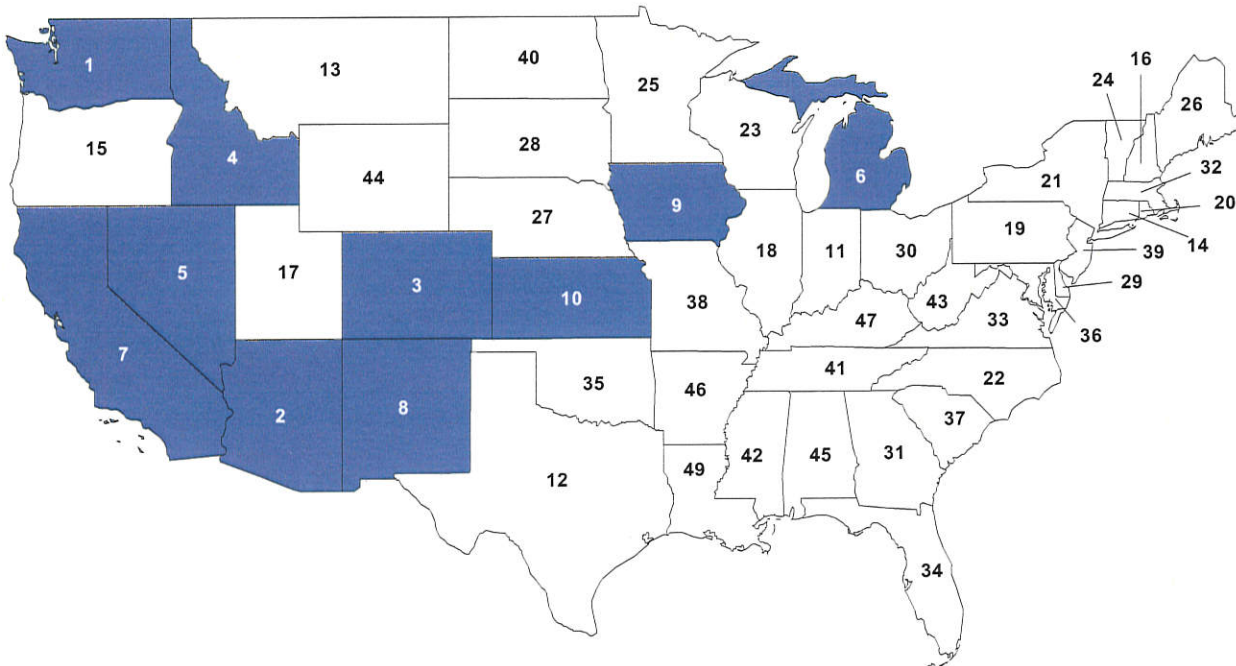


2005 Milk Production: Top Five States

State Rankings



2005 Milk Production Per Cow Ranking Top Ten States Highlighted



Per Capita Milk Production

2005 versus 2004 & 2000 - By State

States	Per Capita Milk Production			Change In Per Capita Milk Production			
	2005	2004	2000	2005 vs 2004		2005 vs 2000	
				Pounds	Percent	Pounds	Percent
1 Idaho	7,110.1	6,517.6	5,559.3	592.5	9.1	1,550.8	27.9
2 Vermont	4,238.8	4,175.6	4,400.5	63.2	1.5	-161.7	-3.7
3 Wisconsin	4,130.3	4,012.9	4,329.5	117.4	2.9	-199.2	-4.6
4 New Mexico	3,604.6	3,540.2	2,874.9	64.4	1.8	729.7	25.4
5 South Dakota	1,852.0	1,747.9	2,162.8	104.1	6.0	-310.8	-14.4
6 Minnesota	1,596.6	1,589.7	1,925.1	6.9	0.4	-328.5	-17.1
7 Iowa	1,355.2	1,304.1	1,343.8	51.1	3.9	11.4	0.8
8 California	1,039.6	1,017.4	949.2	22.2	2.2	90.4	9.5
9 Washington	891.9	872.6	946.6	19.3	2.2	-54.7	-5.8
10 Pennsylvania	845.0	811.8	908.3	33.2	4.1	-63.3	-7.0
11 Kansas	829.2	810.6	572.1	18.6	2.3	257.1	44.9
12 North Dakota	827.7	826.6	1,070.3	1.1	0.1	-242.6	-22.7
13 Utah	672.6	664.7	752.6	7.9	1.2	-80.0	-10.6
14 Michigan	665.5	626.5	573.3	39.0	6.2	92.2	16.1
15 Arizona	630.0	635.2	587.2	-5.2	-0.8	42.8	7.3
16 Oregon	627.3	632.1	478.2	-4.8	-0.8	149.1	31.2
17 New York	627.3	604.2	627.8	23.1	3.8	-0.5	-0.1
18 Nebraska	612.4	600.2	732.8	12.2	2.0	-120.4	-16.4
19 Indiana	504.8	486.1	397.2	18.7	3.8	107.6	27.1
20 Colorado	503.3	474.6	445.0	28.7	6.0	58.3	13.1
21 Maine	450.2	465.4	523.1	-15.2	-3.3	-72.9	-13.9
22 Ohio	413.7	398.2	392.7	15.5	3.9	21.0	5.3
23 Montana	397.6	375.4	374.2	22.2	5.9	23.4	6.3
24 Oklahoma	348.4	358.4	375.0	-10.0	-2.8	-26.6	-7.1
25 Kentucky	328.5	343.3	418.8	-14.8	-4.3	-90.3	-21.6
26 Missouri	323.3	320.7	403.0	2.6	0.8	-79.7	-19.8
27 Texas	281.8	267.4	273.8	14.4	5.4	8.0	2.9
28 Virginia	235.7	231.4	267.5	4.3	1.9	-31.8	-11.9
29 New Hampshire	230.5	233.2	251.6	-2.7	-1.2	-21.1	-8.4
30 Nevada	224.4	218.2	235.8	6.2	2.8	-11.4	-4.8
31 Maryland	207.3	208.9	254.4	-1.6	-0.8	-47.1	-18.5
32 Tennessee	184.8	196.0	246.4	-11.2	-5.7	-61.6	-25.0
33 Delaware	155.4	153.6	190.8	1.8	1.2	-35.4	-18.6
34 Georgia	154.1	158.8	174.1	-4.7	-3.0	-20.0	-11.5
35 Illinois	153.4	155.6	168.4	-2.2	-1.4	-15.0	-8.9
36 Wyoming	145.9	125.3	153.8	20.6	16.4	-7.9	-5.1
37 Mississippi	130.4	130.7	189.9	-0.3	-0.2	-59.5	-31.3
38 Florida	127.7	129.6	153.4	-1.9	-1.5	-25.7	-16.8
39 North Carolina	115.7	117.8	147.2	-2.1	-1.8	-31.5	-21.4
40 Connecticut	109.4	112.0	140.8	-2.6	-2.3	-31.4	-22.3
41 Arkansas	106.9	117.5	181.1	-10.6	-9.0	-74.2	-41.0
42 West Virginia	106.8	107.0	146.6	-0.2	-0.2	-39.8	-27.1
43 Louisiana	95.7	106.3	156.2	-10.6	-10.0	-60.5	-38.7
44 South Carolina	68.2	68.4	92.0	-0.2	-0.3	-23.8	-25.9
45 Hawaii	54.6	63.8	95.9	-9.2	-14.4	-41.3	-43.1
46 Alabama	49.1	54.1	78.2	-5.0	-9.2	-29.1	-37.2
47 Massachusetts	45.3	46.2	59.1	-0.9	-1.9	-13.8	-23.3
48 New Jersey	22.0	23.0	28.9	-1.0	-4.3	-6.9	-23.8
49 Alaska	20.3	22.2	20.8	-1.9	-8.6	-0.5	-2.4
50 Rhode Island	17.4	18.1	26.9	-0.7	-3.9	-9.5	-35.4
U.S. Totals	597.1	582.1	593.9	15.0	2.6	3.2	0.5

Data Sources:

Milk Production : Milk Production, February 2006, National Agricultural Statistics Service, Agriculture Statistics Board, USDA.
Population : U.S. Census Bureau, Department of Commerce. (July 1st population estimates for each year.)