

MINUTES OF THE SENATE AGRICULTURE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on January 11, 2006 in Room 423-S of the Capitol.

All members were present except:

Terry Bruce
Derek Schmidt - excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research
Lisa Montgomery, Office of Revisor of Statutes
Judy Seitz, Committee Secretary

Conferees appearing before the Committee:

Patty Clark, Director of Agriculture Products Development Division, Kansas Department of Commerce

Others attending:

See attached list.

Patty Clark reported on the Fiscal 2005 and Fiscal 2006 to date loans made to agriculturally related business entities. An itemized list of the value added loans was furnished. Many of the loans were for agritourism projects, including the wine industry. A report was also given on the Business Enhancement Grants. A large percentage of the Fiscal 2006 Loans was for ethanol and biodiesel projects. Ms. Clark also reported that some grants have been made to conduct studies and assessments on the economic impact of renewable energy industries. She also reviewed a map indicating proposed ethanol or biodiesel plants under construction or currently in existence (Attachment 1).


Ms. Clark took questions from the Committee.

Ms Clark said that two of the best programs for small companies is the trade show assistance and business enhancement program. Increased sales of \$431,000 from businesses was reported as a result of these programs. For Federal Fiscal Year (FFY) Kansas companies received total allocations of \$93,233 through the Branded Program allowing businesses to participate in international marketing. Grants were also given to the grape and wine industry. Since June 2004, \$350,000 has been used to enhance the grape and wine industry. As a result of the Agritourism Promotion Act Thirteen, scholarships have been awarded. There is an e-newsletter and website (kansasagritourism.org) available.

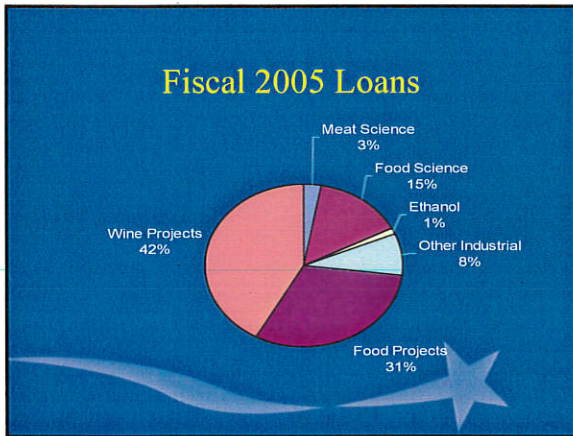
Ms. Clark stood for more questions. She will e-mail information to all Committee members regarding investments in ethanol and biodiesel plants.

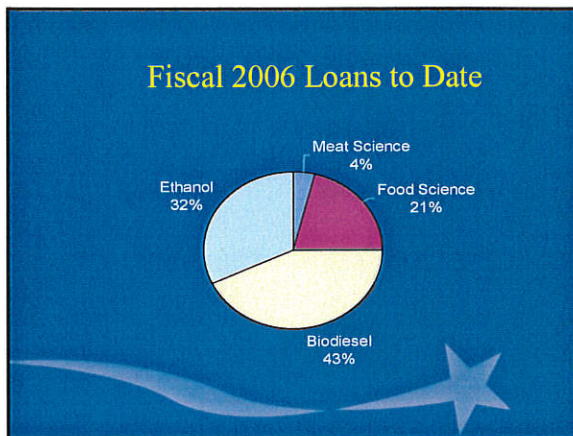
Chairman Taddiken asked for bill introductions. There were none. Secretary of Agriculture, Adrian Polansky, is scheduled to give a presentation on the state of Agriculture in Kansas next week. An informational presentation on carbon sequestration is also planned for next week.

The meeting adjourned at 9:23 a.m. The next meeting will be at 8:30 a.m. on January 17, 2006 in room 423-S.


Annual Report
Agriculture Products
Development Division

 Patty Clark
 Director
 Agriculture Products Development
 Community Development





Senate Agriculture
 Committee
 1-11-06
 Attachment 1 ¹

2005 Business Enhancement Grants

- Old Town Farmers Market \$2500
- Pen'Z Pantry \$2500
- The Pantry Shelf \$2477
- Smoky Hill Winery \$2500
- Heart of America Action League \$1738
- Helten Gardens \$2418
- Cinda's Sauces \$1550
- Fieldstone Enterprises \$1227
- Kaw Valley Farm Tour \$2200
- Harvest Lark \$2378
- Salina Farmers Market \$1361

2006 Business Enhancement Grant

- Wichita Food Coop \$2500
- The Blackberry Mercantile \$2500
- Smoky Hill Bison \$1500
- Spring Hill Ranch \$2500
- Little House on the Prairie \$ 500
- Fieldstone Enterprises \$1948
- TRIPTI \$1150
- Lawrence Farmers Market \$2500
- Amy's Meats \$ 416

Trade Show Assistance Grants

- 2005 Total = \$8977
- 2006 Total = \$5430 to date

International Marketing/MIATCO

- Federal Fiscal Year (FFY) 2003 Oct. 1, 2003 through Sept. 30, 2004
 - Kansas companies received total allocations of **\$93,233** through the Branded Program.
 - Companies reported actual increases in export sales of more than **\$1.16 million**.
- FFY 2004 Oct. 1, 2004-Sept. 30, 2005
 - Kansas companies received total allocations of **\$83,983** through the Branded Program.
- FFY 2005 to date Kansas companies have been allocated **\$115,380**

Grape & Wine Industry

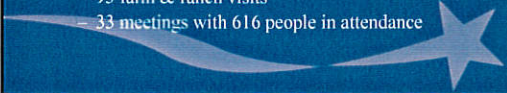
- 170 acres of grapes – 16 wineries
- 150,000 visitors in 2004
- \$1.2 million in sales
- 42 FTE; 66.5 PTE
- Total Payroll = \$977,000
- Marketing
 - Grape Stomp, Winery Brochure, Legislative Assistance
- Education
 - Wine Judging
 - Grape Growing Seminar

Grape & Wine Industry

- USDA FSMIP Grant – \$28,800
 - Marketing and Consumer Preferences Study
 - Financial Feasibility
 - Regulatory
 - Website: www.winesofkansas.com
 - Tourism
- Funded over \$350,000 to industry since June 2004

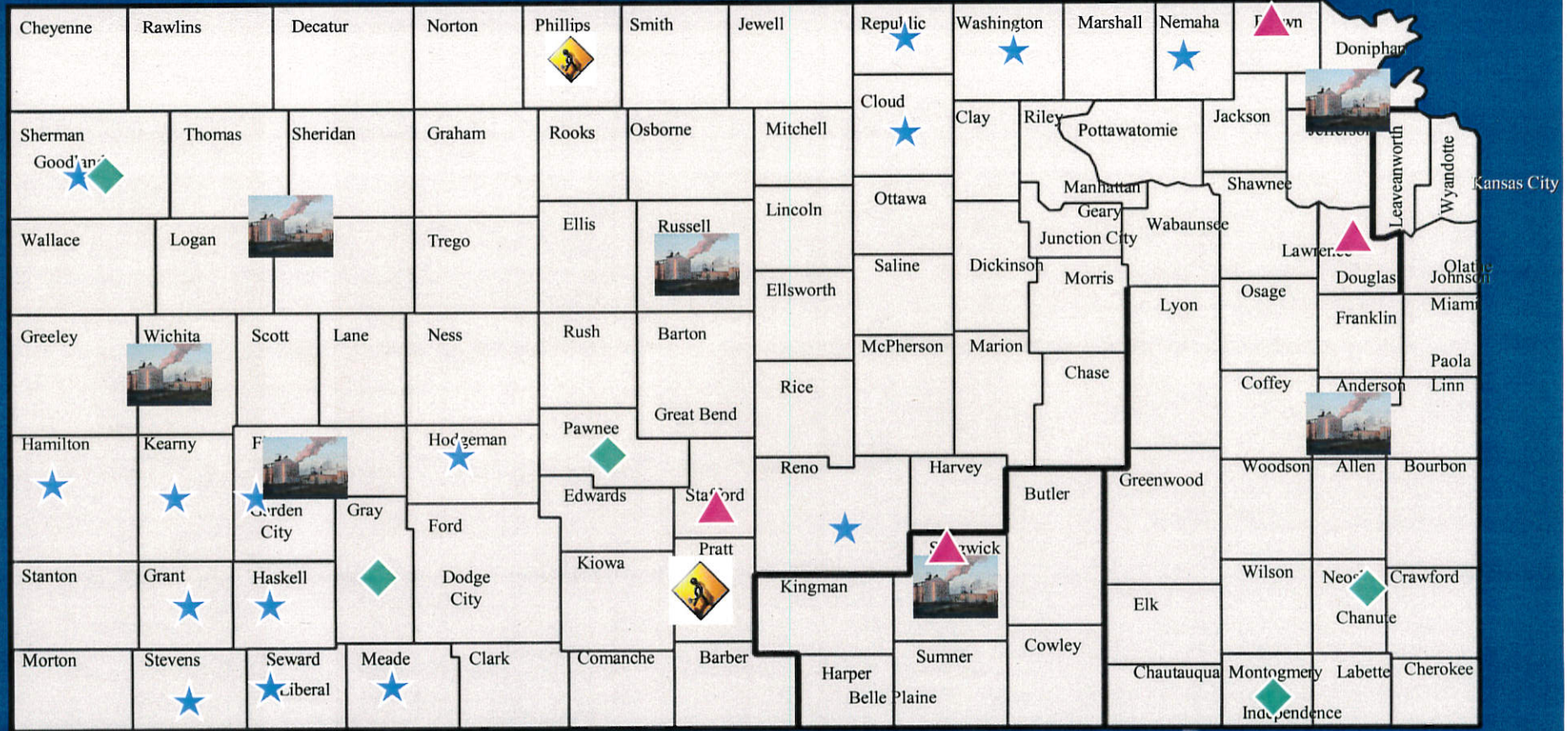
Agritourism

- Agritourism Promotion Act
 - 188 registered operations
- Agritourism Scholarships
 - 13 scholarships awarded = \$15,788
- Agritourism Communications
 - E-newsletter & website (kansasagritourism.org)
- Ben Allen, Agritourism Consultant Visits
 - 93 farm & ranch visits
 - 33 meetings with 616 people in attendance



Note! Subject to Change

Proposed Projects



 Ethanol Plants



Groundbreaking/Construction

 Biodiesel



Other (cofiring, gasifier, ADs)



Existing

FY 2006 Projects

<i>Project #</i>	<i>Contract Name</i>	<i>Company</i>	<i>Funding</i>
2006-01	KSU Meat Extension	K-State	\$12,705.00
2006-02	KSU Food Extension	K-State	\$70,000.00
2006-03	Lawrence Biodiesel	New Horizon's Agriculture Alliance	\$40,000.00
2006-04	Liberal Ethanol	Liberal Ethanol Steering Committee	\$27,500.00
2006-05	NEK-SEN Energy Partners	NEK-SEN Energy Partners	\$40,000.00
2006-07	State Energy Program Grant	Pinnacle Technology	\$30,000.00
2006-10	AgraMarke	AgraMarke	\$30,000.00
2006-13	Northeast Kansas Bioenergy LLC	Northeast Kansas Bioenergy, LLC	\$79,500.00
2006-14	Central Kansas Biodevelopment, Inc.	Central Kansas Biodevelopment, Inc.	\$22,000.00
2006-15	Conestoga Energy Partners, LLC	Conestoga Energy Partners, LLC	\$7,500.00
<i>Total</i>			<i>\$359,205.00</i>

FY 2005 Projects

<i>Project #</i>	<i>Contract Name</i>	<i>Company</i>	<i>Funding</i>
2005-01	KSU Meat Extension	K-State	\$12,600.00
2005-02	KSU Food Extension	K-State	\$66,580.00
2005-03	Wyldeewood Cellars	Wyldeewood Cellars	\$88,000.00
2005-06	Serenity Gardens	Serenity Gardens Plant Company	\$24,000.00
2005-07	Industrial Crating	Industrial Crating	\$36,500.00
2005-08	The Pantry Shelf	The Pantry Shelf	\$75,000.00
2005-09	Smoky Hill Vineyards & Winery	Smoky Hill Vineyards & Winery	\$100,000.00
2005-10	Corn Growers Grant	Kansas Corn Growers Association	\$5,000.00
2005-11	Walters' Pumpkin Patch	Walters' Pumpkin Patch	\$41,959.00
<i>Total</i>			\$449,639.00