

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman John Faber at 3:30 P.M. on March 6, 2007, in Room 241-N of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Emalene Correll, Kansas Legislative Research Department
Jason Thompson, Revisor of Statutes Office
Florence Deeter, Committee Assistant

Conferees appearing before the committee:

Jenny Erdman, Greater Kansas City Chamber of Commerce
Bob Walker, Director of Communications, Bayer Animal Health

Others attending:

See attached list.

Hearing on SCR 1606 - Animal Health Corridor

The Chairman opened the hearing on **SCR 1606 - animal health corridor**, welcoming Jenny Erdman, Greater Kansas City Chamber of Commerce, to speak to members regarding the initiative of the Animal Health Corridor. She introduced Bob Walker, Director of Communications of Bayer Animal Health, who briefed the members on the purpose of animal health, the history of the initiative, and the vision and goals of the organization. Mr. Walker indicated that the Kansas City area has the largest market share of the industry worldwide. He said that fifty companies in the animal health industry have established headquarters in Kansas City. Mr. Walker envisions numerous opportunities for research, production, and growth for the centralized area extending from Kansas City to St. Joseph and west to Manhattan, Kansas (Attachment 1).

The Chairman closed the hearing on **SCR 1606**.

The Chairman opened the hearing on **SB 19 - County fairs levy for building, grounds and maintenance**. Raney Gilliland, Kansas Legislative Research Department, briefed the members stating that Hodgeman County Commissioners had expressed their concerns regarding the limited amount of money that could be raised for facilities needing repair and maintenance. He said that currently the law limits their funds to \$3,000. Mr. Gilliland reported that a 2006 interim Special Committee of Agriculture and Natural Resources made a recommendation of a \$33,000 cap for repair and maintenance costs. He noted that Hodgeman County presently operates under **K.S.A. 2006 Supp. 2-131d** and that **SB 19** is an amendment to repeal that statute.

Following discussion among the members, the Chairman closed the hearing on **SB 19**.

The Chairman called for consideration of **SB 249 - cities and counties; creation of natural resource districts**. Representative Svaty moved to pass favorably **SB 249**; Representative Feuerborn seconded the motion. The motion passed.

The Chairman announced a sub-committee to be appointed for further study of **SB 146**.

The meeting was adjourned at 4:30 p.m. The next meeting is scheduled for March 7, 2007.



ANIMAL HEALTH
CORRIDOR

March 6, 2007
Agriculture & Natural
Resources Committee
KS House of Representatives

Why Animal Health?

- Increase in focus on the human-animal bond
- Connection between human and animal health
- Increased emphasis on food safety and security



Initiative History

- 2003/04 Kansas City Area Life Sciences Institute
“A Road Map for Life Sciences & convergent Technologies” animal health hot team
- 2004 Kansas Technology Enterprise Center
“Kansas Bioscience and Innovation Roadmap”
animal science hot team
- 2005 Greater Kansas City Chamber of Commerce
funds animal health asset profile
- 2006 Animal Health Initiative is formed
- 2006 Bayer Pledges funding toward initiative



Our Vision

- To be *the* global center for animal health research and innovation, known for:
 - *People* ... quality and quantity of animal health workforce
 - *Policies* ... legislative environment that encourages and rewards investments
 - *Partnership* ... many examples of public-private partnerships around veterinary and translational medicine
 - *Pipeline* ... reputation for developing and commercializing novel discoveries

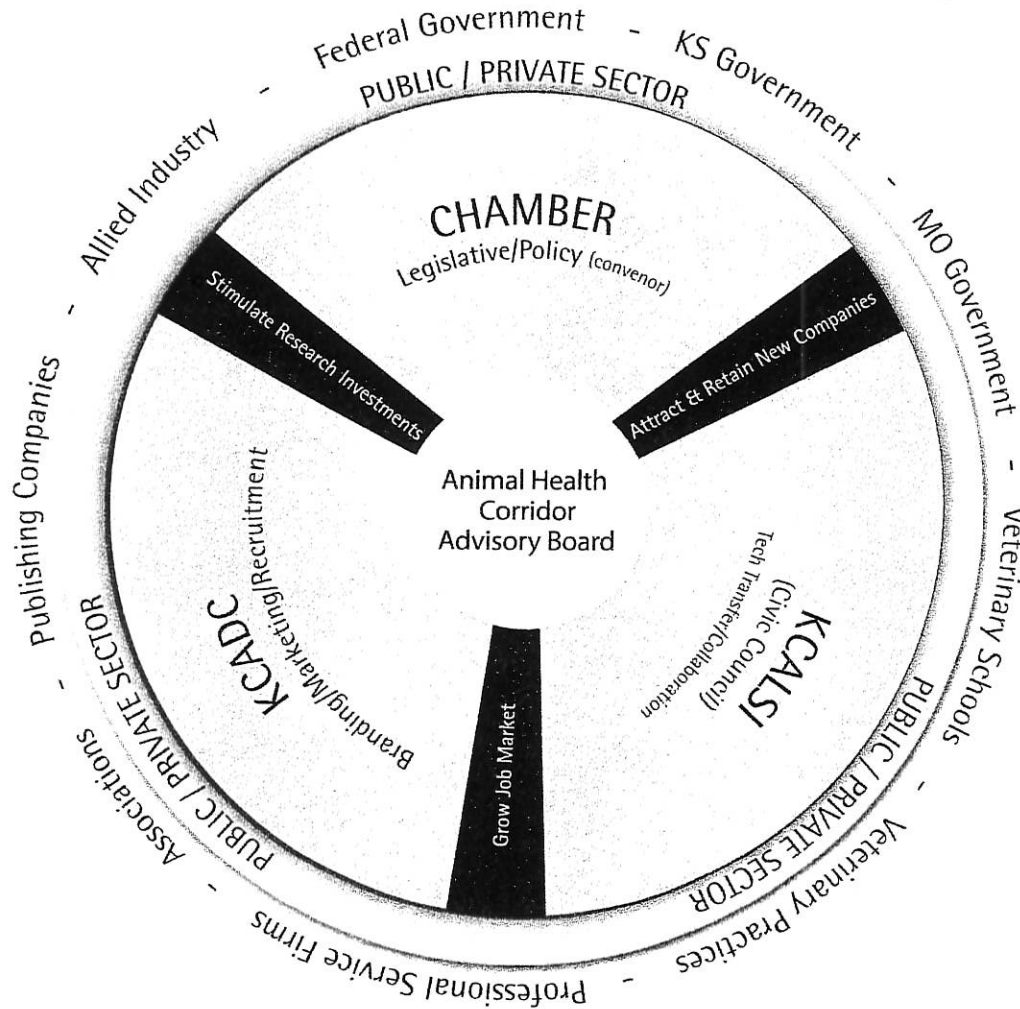
Our Business Goals

- Make companies in the area more successful
- Attract new companies
- Increase percentage of product sales linked to companies with regional presence
- Proportionate increase in jobs
- Increase in federal research dollars for regional institutions



Our Structure

Public-Private Governance & Accountability



Industry Involvement

- **Advisory Board of Directors**

- Tom Corcoran, Fort Dodge
- George Heidgerken, Boehringer Ingelheim
- Dr. Cecil Moore, Interim Dean, University of Missouri College of Veterinary Medicine
- Nelson Mann, Stinson Morrison Hecker **
- Joerg Ohle, Bayer Animal Health *
- Bob Tully, CEVA/Biomune
- Justin Skala, Hill's Pet Nutrition
- Dr. Ralph Richardson, Dean, Kansas State University College of Veterinary Medicine
- James Spigarelli, Midwest Research Institute **
- Anne St. Peter, Fleishman-Hillard **

*Chair

** Representing GKCCC, KCADC, KCALSI



Existing Assets

- Kansas State University's \$54 million Biosecurity Research Institute
- University of Missouri's \$60 million Life Sciences Center and Swine Research Center
- Midwest Research Institute, one of the country's largest non-profit research institutions, is a leader in agribusiness and animal health research
- The Stowers Institute for Medical Research, a \$300 million facility with a \$2 billion endowment
- KCALSI was formed in 2000 to grow life sciences research to \$500 million annually by 2010
- KCALSI RFP for \$450k in grants



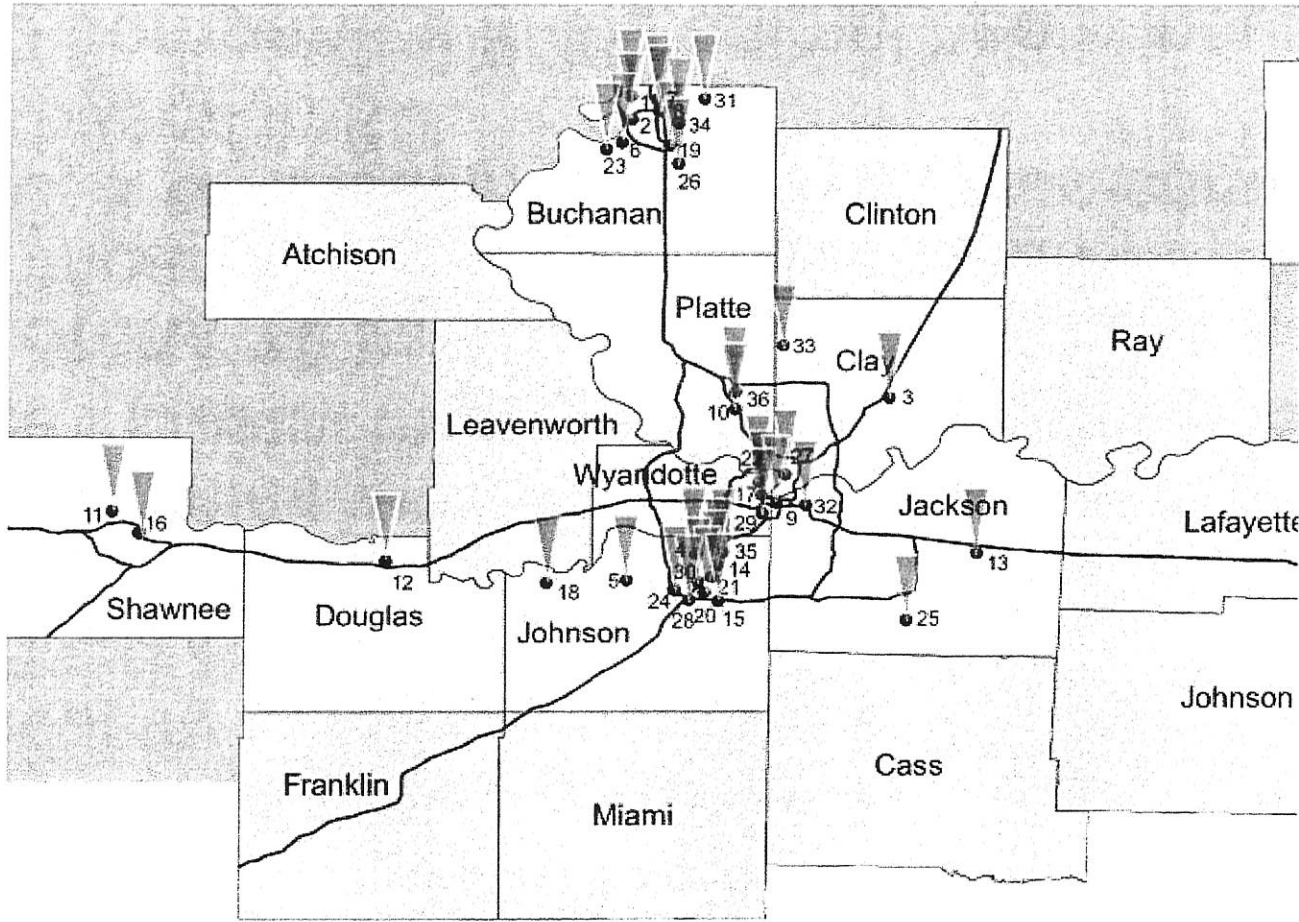
Our Existing Foundation

- Nearly **one third** of the \$14.2 billion global industry sales are generated by companies based in KC.
- KC is home to **over 120** animal health companies with the largest market share of the industry than anywhere else in the world
- **4 of the 10** largest global animal health companies have their US or worldwide HQ in KC; **1 of 5** leading animal nutrition companies is based in KC.
- **50 companies** in the animal health industry have US or global HQ in KC

Brakke Consulting, Inc., August 2006



Regional Concentration of Companies



Top Companies Located Here

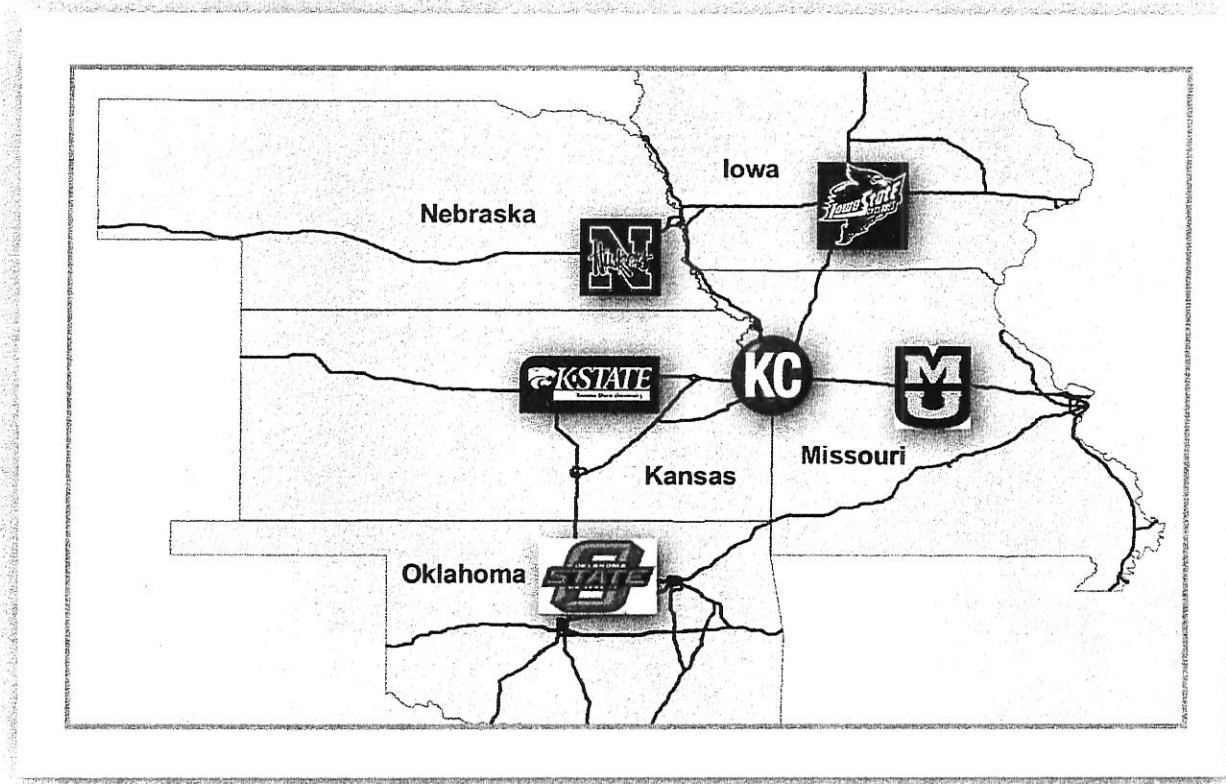
Area organizations employ over 13,000 people, including more than 500 researchers

- Agri-Laboratories
- **Bayer Animal Health**
- **CEVA/ Biomune**
- Boehringer Ingelheim
- **Felton Medical**
- **Fort Dodge**
- **Hill's Pet Nutrition**
- **Intervet**
- IVX
- Nestle Purina
- S&M NuTech/Mars
- Vedco
- **Vet Life/Ivy**



Workforce Assets

Kansas City is within two hours of major veterinary schools and universities



Other Regional Assets

- **Animal Health Destinations**
 - American Royal, Kansas City Stockyards, Ag Hall of Fame, etc.
- **Service Industry Network**
 - Multiple trade and professional associations, publishing companies, and service firms dedicated to animal health



Recruitment Success

- **IdentiGEN North America, Inc.**
 - International food safety company
 - Conducted nationwide search for NA HQ and lab testing facility
 - 35 new jobs initially in KC region
- **Synbiotics Corp.**
 - Conducted search of five Midwestern cities
 - Relocated HQ and R & D from San Diego
 - 42 new jobs initially
- **US Animal Health Association**
 - Relocating HQ from Richmond, VA
 - Science-based, non-profit with 1,4



KCADC Marketing Activities Continue...

- Sixteen active animal health industry-related projects
- National Bio and Agro Defense Facility -\$451 million Federal research facility. Leavenworth and Manhattan are 2 of 18 sites still in consideration (site visits in mid-April)
- Additional aggressive marketing activities continue



We All Win

- **Businesses have more opportunities to grow**
 - Access to larger pool of highly skilled workforce
 - More options for strategic partnerships
 - Support on industry specific issues
- **Regional universities gain access to additional top-tier researchers**
 - Grants for unique studies in cutting-edge facilities
 - Options to bring research findings to marketplace through local contacts
 - Ph.D.s and MBAs work hand-in-hand
- **Kansas City Region can continue to grow while leveraging existing assets**
 - Strong tax base supports growth and redevelopment
 - Expanded resources for cultural and community programs
 - Increased innovation that supports development of new technologies, as well as farming roots
- **Individuals gain opportunities for career development located in an area that supports quality of life**
 - Quality education from pre-K to Ph.D.
 - Affordable and desirable housing options
 - Family-focused community structure

