

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on January 17, 2007 in Room 423-S of the Capitol.

All members were present except:
Derek Schmidt- excused

Committee staff present:
Raney Gilliland, Kansas Legislative Research
Art Griggs, Office of Revisor of Statutes
Judy Seitz, Committee Assistant

Conferees appearing before the Committee:
Adrian Polansky, Secretary, Kansas Department of Agriculture
Constantine Cotsoradis, Deputy Secretary, Kansas Department of Agriculture

Others attending:
See attached list.

Adrian Polansky, Secretary, Kansas Department of Agriculture, introduced members of his staff:
Constantine Cotsoradis, Deputy Secretary
Dale Lambley, Special Assistant
Carol Jordan, Legislative and Policy
Erik Wisner, Legislative and Policy
Lisa Taylor, Public Information Officer
Ida Kirmse, Homeland Security Specialist

Secretary Polansky, reported on the state of Kansas agriculture ([Attachment 1](#)).

He said the winter storm in western Kansas resulted in the loss of cattle, although not as many as expected. There are other costs to the farmers and ranchers as a result of the storm. President Bush has declared 44 counties in western Kansas a major disaster so that federal money will be available for emergency measures.

He also discussed the efforts to build the bioscience industry.

The KDA added a homeland security position in 2006 to coordinate efforts in the areas of food defense and plant health. He also stated that dam inundation maps are needed in order to have emergency action plans.

Secretary Polansky said that the KDA is an advocate for renewable energy production and use. Members of the Governors' Ethanol Coalition have a long-term vision for renewable fuels, not just ethanol, but also biodiesel and other fuels made from biomass.

The 25 x 25' initiative is that by 2025, renewable energy from America's farms, forests and ranches will provide 25 percent of the total energy used in the United States. Kansas is one of the four states with a legislative resolution in support of 25 x 25'.

Legislation was passed in 2006 to provide for a production incentive of 30 cents a gallon for biodiesel.

The Governor's Rural Life Task Force advises her on rural issues. Budget enhancements have been proposed for existing rural development programs and a pilot state KAN-STEP (Kansas Small Towns Environment Program) program. This program is a non-competitive, self-help program for communities to address water, sewer and public building needs.

The KDA has convened the Grape and Wine Advisory Council and participated in promotional activities for grapes and wine at the State Fair and other events.

Secretary Polansky also reviewed bills introduced in the U.S. Senate and U.S. House of Representatives to ensure that all meat and poultry products are inspected under a seamless national inspection system; and to

CONTINUATION SHEET

MINUTES OF THE Senate Agriculture Committee at 8:30 a.m. on January 17, 2007 in Room 423-S of the Capitol.

eliminate the prohibition on interstate shipment of state-inspected meat and poultry products.

A printed copy of the Kansas Department of Agriculture Annual Report (Attachment 2) was distributed to committee members.

Secretary Polansky took questions from the committee.

Constantine Cotsoradis also answered questions.

The meeting adjourned at 9:30 a.m.

The next meeting is scheduled for Tuesday, January 23.



KANSAS

DEPARTMENT OF AGRICULTURE
ADRIAN J. POLANSKY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

The State of Kansas Agriculture

Presentation to the Senate Agriculture Committee

By Adrian Polansky

Secretary

Kansas Department of Agriculture

January 17, 2007

Good afternoon, Chairman Taddiken and members of the committee. I am Kansas Secretary of Agriculture Adrian Polansky. It's a pleasure to be here to update you on the past year in Kansas agriculture, as well as to share some of our hopes and plans for the future.

Meet My Staff and the Department of Agriculture

The Department of Agriculture is here in force today, so you can know who we are. Please feel free to contact us at any time—we will do our best to assist you.

They are: Deputy Secretary Constantine Cotsoradis, Special Assistant Dale Lambley, Legislative and Policy Staff Carole Jordan and Erik Wisner, PIO Lisa Taylor, and Homeland Security Specialist Ida Kirmse.

The Department of Agriculture serves rural and urban Kansans alike. We are charged by law with ensuring a safe food supply; regulating the responsible and judicious use of pesticides and plant nutrients; protecting the state's native and cultivated plants; ensuring the integrity of weighing and measuring devices in commerce; and ensuring the beneficial use of our water resources.

Water resource programs involve water rights; water structures, like dams and levees; and interstate water issues.

*Senate Agriculture Committee
1-17-07
Attachment 1*

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Department of Agriculture regulatory programs are designed to protect consumers. At the same time, we protect business and commerce by ensuring a climate of confidence and a level playing field. The foundation provided by our regulatory activities allows us to be advocates for agriculture and rural Kansas.

We are committed to working with agricultural groups and other stakeholders, and to break down the barriers between state and federal agencies. We're proud of the work we do with our partners to benefit agriculture and Kansas.

High and Low Points of 2006

Kansas continues to be a leading agricultural state. A healthy agriculture means a healthy economy and jobs for many Kansans. Although the 2006 wheat crop did not meet our hopes, we continued as a leading state in wheat flour milled, sorghum grain produced, and in cattle, hay, corn, hogs, soybeans and sheep. Sunflower and cotton production continue to grow, as does the grape and wine industry. Drought and dry conditions continued to plague us, many water issues are a serious concern, and our department distributed much needed dollars this fall to livestock producers who had suffered drought-related losses. Beef exports have not returned to earlier levels. On the brighter side, however, the renewable fuels industry is growing, benefiting farmers and rural areas, and discussions continue about what the next farm bill should look like.

New Year's Storm

The end of the year was notable for producing some of the most potentially devastating winter storms to hit Kansas in a long time. On New Year's Day, rather than watching football, some of my staff and I were at work, talking to representatives of the agriculture industry and coordinating our activities with the Kansas Division of Emergency Management to mitigate the effects of snow and ice on agriculture and livestock.

I am relieved to say that cattle losses seem to have been relatively low. Some estimate only one-half of 1 percent of cattle on feed, or from one to five animals out of every thousand, were lost. Total losses in the end may be as low as 3,000 or as high as 10,000. It could have been much, much worse. It is a testament to the preparation and hard work of our livestock producers, and to our local, state and federal officials' understanding the importance of agriculture. But winter is not over yet.

As you livestock producers know, an even greater cost to the livestock industry will come from reductions in weight gains and feed conversion efficiency. KSU tells me that an average estimated loss per animal on feed might be \$60 per head. Using the estimated 1.5 million head within this region on feed, that loss could mount up to \$90 million.

Additional estimates on cost to the farmers and ranchers come from costs associated with the snow removal, facility repair, standby electrical generation costs, animal health costs, additional feed costs, and increased use of equipment.

Governor Sebelius immediately wrote the president and secretary of agriculture asking for disaster declarations to make federal assistance available. Shortly after, President Bush declared 44 western Kansas counties a major disaster, which cleared the way for federal money to be made available to state and local governments for emergency measures. Governor Sebelius also asked U.S. Agriculture Secretary Mike Johanns to declare the same counties agricultural disaster areas to help minimize economic losses for livestock producers affected by the storm. We will be releasing final information about agricultural losses and changing needs for feed as they become available to us.

Adding Value in New Ways

For many in agriculture and rural Kansas, 2006 was a year of new opportunities. We welcomed news that Kansas will be the new home for a processing facility to extract proteins from pharmaceutical rice, we saw our state's ethanol production double, and outdated laws that kept our wineries at a commercial disadvantage began to change.

How we fare in the coming year will depend in large part on our willingness to adapt to change. As long as we remain flexible and open to new ideas, I believe the future holds great promise for Kansas.

Building the Bioscience Industry in Kansas

In September, Ventria Bioscience, a California-based company, announced it would invest \$6 million to renovate a facility in Junction City. There it will process its pharmaceutical rice crop that will be grown by northeast Kansas farmers. The facility is expected to contribute \$40 million to the Kansas economy when it is fully operational, and it will provide high-paying jobs to skilled Kansans.

The venture also will allow farmers who grow Ventria's rice to earn up to \$200 more per acre than their next most profitable crop. That will add \$9 million to the local farm economy over the next nine years.

Ventria will grow its rice in Kansas under a USDA permit in a closed system using dedicated planting and harvesting equipment. Harvested rice will be stored on-farm, and ground into meal before it leaves the crop site. It will not be exposed to our everyday grain handling system. Since rice is a self-pollinating annual grass, and there are no other wild or domestic rice varieties grown here, it makes sense to grow this important crop in Kansas.

Using plants to produce medicine makes sense for many reasons – it's economical and it's safe. Many of our current medicines depend on production methods that involve animal hosts or animal proteins, which opens the door to inadvertent human infection with animal pathogens. Using animal or animal protein hosts also costs more than extracting medicines from plant hosts.

The effort to attract Ventria to Kansas involved a number of players, including the Kansas Department of Agriculture, the Kansas Department of Commerce, Kansas Technology Enterprise Corporation and Kansas State University. The Department of Agriculture will

continue to work with this group to ensure that we exhibit the appropriate climate for advancing the biosciences in Kansas.

Because I believe this is so important to the future of the state of Kansas, I am working on the national and international level in the area of biotechnology. I chair the NASDA Biotechnology Taskforce and am a member of the USDA Advisory Committee on Biotechnology and 21st Century Agriculture. I will be a presenter at Fourth Annual World Congress on Industrial Biotechnology and Bioprocessing in March, and next week I will be traveling to Australia to speak and serve as the NASDA representative to the sixth meeting of the APEC High Level Policy Dialogue on Agricultural Biotechnology in Canberra, Australia.

Homeland Security

Every program administered by the Kansas Department of Agriculture includes a homeland security component. A new, full-time homeland security position was added in February 2006 to coordinate those efforts. This individual is responsible for ongoing development of agencywide homeland security initiatives, for helping agency programs establish internal response protocols, and for carrying out outreach activities to enhance the overall readiness of the agriculture industry.

Our official entrance into the homeland security arena helped agriculture participate as a full partner when emergency management activities were initiated following the New Year's blizzard that struck our state so severely.

In the area of food defense, we believe a key factor in protecting public health and preserving the competitive edge of our agricultural industries is to maintain an effective inspection system. The dairy, meat and poultry, and retail inspection programs focus their efforts on strengthening partnerships with producers and emergency responders at the local, state and federal levels. Maintaining programs that equal federal food safety standards ensures Kansas companies are able to market agricultural products in national and international markets.

In the area of plant health, we believe Kansas faces many challenges from disease, insects and weeds that have arrived or will arrive in the next decade. In international trade, nearly all products are transported in containers sealed in the exporting country and opened on arrival at their destination in Kansas. This provides a pathway for exotic pests to be introduced directly into our environment. The possibility of a terrorist introducing a pathogen to cause economic and environmental harm is real. Our Plant Protection and Weed Control program relies on its staff of well-trained and dedicated professionals, who are experienced in working with many public and private entities, to protect our state's natural and cultivated plants. Effective outreach, having emergency resources available and a judicious regulatory authority based on sound science are the basis for this program's success.

In the area of water resources, floods and droughts are among the most prevalent hazards. Although flood awareness and prevention is relatively well engrained among local communities, protecting against accidental or criminal damage to water structures seems to be a lesser priority when scarce financial resources are allocated. Kansas has 148 non-federal, high-hazard dams

that lack an inundation map. The estimated cost to prepare an emergency action plan and inundation map for these dams is approximately \$700,000. Inundation maps are necessary because local and state emergency management agencies, as well as regulators like the Department of Agriculture, need the information to identify homes and critical infrastructure, like highways, hospitals, railroads and public utilities, that would be affected by a dam failure. These maps and the emergency action plan help facilitate timely notification and evacuation of those individuals who would be in danger.

The department continues to work with the Adjutant General's Department, the Division of Emergency Management and the Kansas Highway Patrol to develop prevention, response and recovery plans.

Two homeland security funding proposals for enhancements in the areas of plant health and food and agricultural safety helped Kansas secure a greater percentage of homeland security funds in federal fiscal year 2006. These two proposals were rated as exemplary by a national panel sponsored by the Department of Homeland Security.

Of the state's share of homeland security funds for federal fiscal year 2006, the department received \$100,000 for a vulnerability assessment of the transportation of agricultural goods. This project is in collaboration with the Kansas Animal Health Department, Kansas State University and USDA's Animal and Plant Health Inspection Service.

The Plant Protection and Weed Control program used federal fiscal year 2004 homeland security funds to construct and outfit a mobile emergency response laboratory. This project is in collaboration with Kansas State University and USDA's Animal and Plant Health Inspection Service. The lab will be used to provide onsite diagnostic and sample processing in the event of a plant or animal disease emergency.

One veterinarian from the Meat and Poultry Inspection program was trained by USDA as a foreign animal disease diagnostician to augment Kansas Animal Health Department staff in the event of a foreign animal disease outbreak. Other staff veterinarians are waiting to be accepted for future training opportunities.

The department, in partnership with the Kansas Animal Health Department and Kansas State University, conducted an initial agricultural security needs assessment, and identified and prioritized potential projects to help minimize our vulnerabilities and enhance our overall response capability. Our homeland security specialist periodically attends regional homeland security council meetings to discuss statewide agricultural needs and to help develop regional initiatives to address those needs.

Kansas continues to be an active participant in the Multistate Partnership for Security in Agriculture. Other member states are Illinois, Iowa, Kentucky, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, South Dakota and Wisconsin. Partnership states collaborate on surveillance, preparedness and response to threats in agriculture, whether intentionally introduced or naturally occurring. No-match federal funding for the partnership comes from the Department of Homeland Security to support the continuation of this important interstate effort.

During the past year, Kansas benefited from a variety of partnership-sponsored projects including: developing a Kansas food emergency response plan; conducting executive spokesperson training and further risk communication training; and participating in a joint information center exercise

Renewable Energy for Kansas

World events have made renewable energy a topic of interest both nationally and here at home. We work as an advocate for renewable energy production and use because we see multiple benefits accruing with the growth of renewable sources of energy. I am a member of the Kansas Energy Council, and our department works with economic development and regulatory entities to ensure sensible development of Kansas renewable energy production.

This year Governor Sebelius chaired the 37-state Governors' Ethanol Coalition, and we hosted a successful Kansas GEC meeting in Washington, D.C., in spring 2006, and a Kansas City meeting in October. Members of the GEC have a long-term vision for renewable fuels, not just ethanol but also biodiesel and the promise of other fuels made from biomass, such as corn stover, switchgrass, or even manure from feedlots.

Department employees have driven the highly decorated GEC E85 Tahoe – provided to us by General Motors in a no-cost lease – some 40,000 miles across the state to highlight ethanol use. Events where it was featured include the groundbreaking for a new 110-million-gallon plant in Garden City and the opening of the plant in Phillipsburg.

25x'25 Initiative

25 x '25 is a growing nationwide movement with the goal of having 25 percent of the nation's total energy needs provided by renewable resources by the year 2025. Governor Sebelius was the seventh governor to sign on as a supporter of this movement, and she wrote the other GEC governors urging them to join as well.

The vision of the initiative is that by 2025, renewable energy from America's farms, forests and ranches will provide 25 percent of the total energy consumed in the United States, while continuing to produce safe, abundant and affordable food, feed and fiber.

Because of your work last year, Kansas also is one of four states with a legislative resolution in support of 25x'25.

The Department of Agriculture works closely with the state's 25x'25 steering committee. The group sponsored an agriculture energy day at the Kansas State Fair.

Renewable Fuel Production in Kansas

We believe we have a well-planned and growing biofuels industry that will benefit rural areas in particular. At the end of 2006, we were at a full production capability of 240 million gallons from eight working plants.

We're working to ensure wise water use and compliance with the Water Appropriation Act as new renewable fuel production and other businesses look to locate in Kansas. In areas closed to new appropriation of water, potential production businesses must purchase existing water rights and comply with rules designed to decrease consumption of water when changes of use occur. The average Kansas plant uses three to four gallons of water to produce a gallon of ethanol.

With current technology, a 50-million-gallon ethanol plant might use about 200 million gallons of water (or 613 acre-feet) a year. That is comparable to water used by a 15,000 cow dairy; three average feedlots; or a town a bit smaller than Goodland (about 4,000 people) for a year.

In 2006, ground was broken for a large, 55-million-gallon ethanol production facility in Garden City and a 110-million-gallon plant near Liberal. Other plants are in the planning stages, and we expect some 585 million gallons of possible new production to help us reach the potential to produce some 800 million gallons a year.

A study in Nebraska found that a relatively small ethanol plant gives a one-time boost of \$71 million during construction. Then, in operation, it expands the local economic base by more than \$70 million each year through direct spending of \$58 million. It creates 33 good, new jobs at the plant and about 120 other jobs in the local community.

Still, there is room for growth in ethanol production from traditional sources of corn and grain sorghum, the feedstock for more than half of Kansas' ethanol production. That also is important in terms of sustaining our important water resources. Another byproduct of ethanol production, distillers' grains, can be fed to cattle and other livestock.

Even with growth of biofuel production from grain, we will need new renewable fuels from cellulosic sources. Research on production from these sources, such as switchgrass, wood chips, corn stover or other plant sources, is ongoing. Many experts believe the technology to make widespread production of cellulosic based fuels is just around the corner.

Many groups are working on expanding the E85 infrastructure and the production of flexible fuel vehicles. There currently are 17 stations selling E85 across the state of Kansas. E10 is available in numerous locations.

Biofuel Incentives

Legislation that passed during the 2006 session provides for a production incentive of 30 cents a gallon for biodiesel, and at least four biodiesel plants currently are in the planning stages. The biodiesel incentive joins a continuing state incentive for ethanol production.

The governor supported and signed 2005 legislation to remove the mandatory labeling requirement for E10 ethanol. That resulted in a substantial increase in Kansas E10 sales.

Governor Sebelius also supported and signed 2006 legislation to reduce the tax on E85 ethanol by 17 cents per gallon. Although it is not detailed in the law, the percentage of that reduction matches the BTU content of E85. The bill took effect at the first of this year.

Governor's Rural Life Task Force

This task force, created by Governor Sebelius to advise her on rural issues, first met in 2003. The product of those first meetings was a set of stories of the past, present and future of rural Kansas.

Events and policy choices by state government over the last three years have taken those stories into account. The premier issue of this year was the continued work of the three pilot communities. Work is ongoing with the three communities chosen by a subcommittee of the task force. The communities selected were Onaga, Smith Center, and Eastern Cowley County (Atlanta, Burden, Cambridge, Dexter and the eastern rural area of the county—ABCDE for short.)

Onaga had an initial focus of improved housing quality and quantity as a Governor's Pilot Community. However, in the process of addressing that singular priority, they have created long-term benefit from work done by the mayor and city council on ordinances, enforcement actions and building codes. They have also made street improvements, are rehabilitating existing homes, looking at new housing construction north of their hospital, and have also undertaken a public-private sector approach to playground and park improvements. They, like ABCDE, have an energized and focused a volunteer base and their progress will go well beyond just the housing needs initially identified.

Eastern Cowley County issues included business and job creation, downtown development, youth retention, agritourism and housing. Since their selection, the communities of eastern Cowley County have developed a comprehensive regional marketing strategy with the assistance of the Department of Commerce to market their communities, their retail businesses, their events and festivals and their quality of life. Some benefits the ABCDE communities derived that were not anticipated were the strategic planning, leadership development, volunteer support and enthusiasm that have driven the entire process and will continue to sustain it. They also have learned that by speaking with a unified, regional voice they can have a greater impact than they could as individual communities.

A priority for Smith Center was image enhancement to better market the community and the quality of life to be found in Smith Center. NexTech is now helping to further develop and maintain the community's website, and the Department of Commerce brand image enhancement staff has met with the community to introduce the brand image tool kit to help brand Smith Center as "Heart of the Nation, Still Beating Strong."

In each case, lessons will be learned about how communities develop goals and prioritize issues, as well as how agencies deliver services. Progress comes from the grassroots, and it involves a number of factors, including strategic planning, leadership and access to existing resources at the state and federal level.

In response to one of the recommendations of the task force, and the lessons learned from the pilot communities, the Governor has proposed to create a Kansas Office of Rural Opportunity, staffed through regional offices to advocate for rural issues, streamline services and help communities help themselves.

She has proposed budget enhancements that include additional funds for existing rural development programs, matching funds for communities and regions to renew critical capacity building and strategic planning processes, a pilot state KAN-STEP program (Kansas Small Towns Environment Program, a non-competitive, self-help program for communities to address water, sewer, and public building needs), and adjustments for the use of existing business development tax incentives focused to the size and scale of rural projects.

Last summer one of my staff members was part of a delegation of Kansans, including Rep. Lukert on the House Agriculture Committee and Senators Taddiken and Lee from the Senate Agriculture committee, to a Minnesota meeting sponsored by the Midwest Governor's Association and the Annie E. Casey Foundation. One of the programs presented at the intensive workshop was the Minnesota JOBz program, through which rural opportunity zones are created to help keep existing business and draw new business with good jobs to rural areas. The ideas generated at this Minnesota meeting helped inspire, build and design the governor's proposed program for rural opportunity zones and a rural opportunity program for Kansas. We are excited about this program that has been crafted to provide many opportunities for rural Kansas.

Grape and Wine Industry

During this administration, we have developed programs to help protect specialty crop growers – grape and wine producers, organic farmers, cotton producers, to name a few – from the practices of mainstream farming. We continue to work on pesticide issues that affect the specialty crops.

We convened the Grape and Wine Advisory Council, promoted development of a specialty crops website, and participated in promotional activities for grapes and wine at the State Fair and other events. We have been active in helping these producers develop and agree on legislation needed to benefit their industry.

The council has helped the industry agree on some important policies and, in 2006, the Kansas Legislature passed legislation to allow Kansas wines to be shipped in and out of the state. The industry continues to grow and to contribute to economic development and tourism in rural and other parts of the state.

The council currently is working on issues of information and support for growers, training and educational programs for potential producers and vineyard employees, and clarification of state regulatory programs.

Interstate Sales of State-Inspected Meat

The National Association of State Departments of Agriculture and a coalition of 20 farm and agriculture groups, including the Kansas Meat Processors Association, launched a grassroots campaign in 2006 to urge the passage of the "Agricultural Small Business Opportunity and Enhancement Act" (S. 3519), which was introduced this summer in the U.S. Senate, and the "New Markets for State-Inspected Meat and Poultry Act of 2006" (H.R. 6130), which was introduced this fall in the U.S. House of Representatives.

The key objectives of these bills were to ensure that all meat and poultry products are inspected under a seamless national inspection system; and to eliminate the prohibition on interstate shipment of state-inspected meat and poultry products.

Current law also allows products from meat processors in other countries greater access to American markets, as long as they are produced at plants that meet food safety standards equal to USDA's, than is enjoyed by our state plants. State meat inspection programs must be equal to federal inspection, although state-inspected products may only be sold in the state where they were produced.

Many people are surprised to learn that farmers, on average, receive less than a quarter from every consumer dollar spent on food. Farmers hoping to capture more of that dollar have increasingly turned to direct-marketing their meat and other farm products to consumers. Unfortunately, our farmers can't take full advantage of this opportunity thanks to the obscure and outdated federal rule that prohibits state-inspected meat products from being sold across state lines.

Currently, Kansas and 27 other states have their own meat and poultry inspection programs. State programs like ours typically cover small establishments that don't have the volume of business to justify the expense of a full-time USDA inspector.

The state inspection programs have a very strong record for effectiveness and food safety, and they appeal to farmers because they provide more marketing choices. Farmers say they love the marketing flexibility the program offers, and meat processors are attracted to the program because state inspectors can help them update their food handling procedures and technologies.

It's hard to see any sense to blocking a farmer or small business from selling locally processed beef, pork or poultry to eager customers just across the state line when there is no difference in food safety. Even more puzzling is the fact that the ban has remained in place despite three USDA advisory committees finding that its removal would create jobs and stimulate the rural economy.

Removing the ban on interstate sales is an economic fairness issue. It will level the economic playing field for small businesses, spur more competition in the marketplace and create a more uniform inspection system.

Although those bills were not passed at the end of the last Congress, we believe substitute bills will be introduced shortly. I will continue to lend my support to the National Association of State Departments of Agriculture and their grassroots effort to rectify the disparity caused by outdated federal laws governing interstate sales of state-inspected meat. We also will continue to work with the National Association of State Departments of Agriculture and USDA on the seriousness of last year's cuts to the federal portion of state inspection program budgets.

Food Safety

An executive reorganization order and legislation brought new food safety responsibilities to the Department of Agriculture in 2004. We have successfully taken over the administration of food safety inspection of most facilities in the state, and we continue talking with stakeholders about improving food safety activities

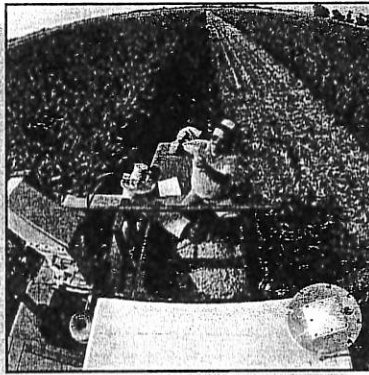
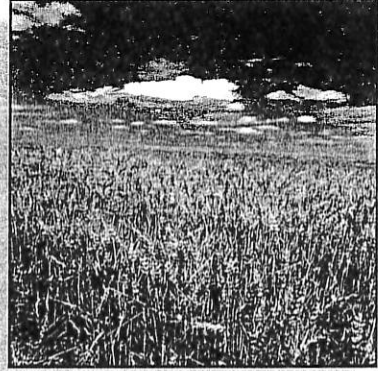
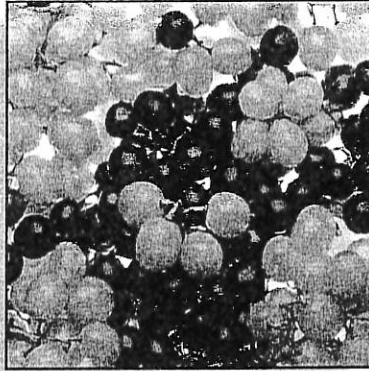
We have just finished an in-depth review of the food safety licensing structure, and we have established a preliminary timeline of steps we can take to ensure our licensing structure and associated fees are equitable, that they are based on risk and that they accurately reflect the services involved.

In Conclusion

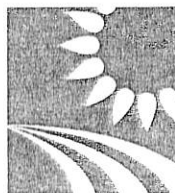
I look forward to working with you this year and in the future, and hope you'll always feel free to contact any of our staff with questions. I would be happy to answer your questions.

Annual Report

The future



is in our fields



KANSAS
DEPARTMENT OF
AGRICULTURE

Senate Agriculture Committee
1-17-07

Attachment 2

Kathleen Sebelius
Governor, State of Kansas

Adrian J. Polansky
Secretary of Agriculture

Constantine Cotsoradis
Deputy Secretary of Agriculture

Carole Jordan
Director of Rural and Legislative Affairs

Dale Lambley
Special Assistant to the Secretary

Lisa Taylor
Public Information Officer

Erik Wisner
Legislative/Research Analyst



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2006 in Review

For many in agriculture and rural Kansas, 2006 was a year of new opportunities. We welcomed news that Kansas is the new home for a processing facility to extract proteins from pharmaceutical rice, we saw our state's ethanol production double and outdated laws that kept our wineries at a commercial disadvantage were changed.

How we fare in the coming year will depend in large part on our willingness to adapt to change. As long as we remain flexible and open to new ideas, I believe the future holds great promise for Kansas.

Building the Bioscience Industry

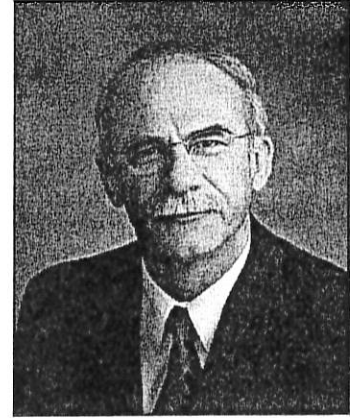
On September 29, 2006, Ventria Bioscience announced it would invest \$6 million to renovate an abandoned grocery distribution center in Junction City and turn it into a processing facility for its pharmaceutical rice crop that will be grown by northeast Kansas farmers. The facility is expected to contribute \$40 million to the Kansas economy by the time it is fully operational, and it will provide high-paying jobs to skilled Kansans. The venture also will allow farmers who grow Ventria's rice to earn up to \$200 more per acre than their next most profitable crop, which will add \$9 million to the local farm economy over the next nine years.

Ventria will grow its rice in Kansas under a USDA permit in a closed system using dedicated planting and harvesting equipment. Harvested rice will be stored on farm, and it will be ground into meal before it is transported from the crop site. It will not be exposed to our everyday grain handling system. Since rice is a self-pollinating annual grass, and there are no other wild or domestic rice varieties grown in Kansas, we are an ideal location to grow this important crop.

Using plants to produce medicine makes sense for many reasons. Two of the more compelling reasons are that it's more economical and it's safer. Many of our current medicines depend on production methods that involve animal hosts or animal proteins, which opens the door to inadvertent human infection with animal pathogens. Using animal or animal protein hosts also costs more than extracting medicines from plant hosts.

The World Health Organization reports that more than 2 million children under the age of 5 die each year as a result of diarrhea. Ventria's plant-produced medicine is more economical to produce than medicines produced through other methods, so it holds great potential for helping many people worldwide.

Ventria is a California-based bioscience company that is poised to be a leader in biopharmaceuticals. Their world-class board of directors has extensive experience in the sciences, and, in fact, one board member serves on the U.S. National Academy of Sciences. Having them choose Kansas



Secretary of Agriculture
Adrian Polansky

2006 Summary



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sends a strong message to similar companies that Kansas is a good place to locate.

The effort to attract Ventria to Kansas involved a number of players, including the Kansas Department of Agriculture, the Kansas Department of Commerce, Kansas Technology Enterprise Corporation and Kansas State University. The Department of Agriculture will continue to work with this group to ensure that we exhibit the appropriate climate for advancing the biosciences in Kansas.

Renewable Energy for Kansas

World events have made renewable energy a topic of interest both nationally and here at home. The Kansas Department of Agriculture is working as an advocate for renewable energy production and use because we see multiple benefits accruing with the growth of renewable sources of energy.

I am a member of the Kansas Energy Council, and our department works with economic development and regulatory entities to ensure sensible development of Kansas renewable energy production.

Governors' Ethanol Coalition

This year Governor Sebelius chaired the 37-state Governors' Ethanol Coalition, and we hosted a successful Kansas GEC meeting in Washington, D.C., in spring 2006, and a Kansas City meeting in October.

Members of the GEC have a long-term vision for renewable fuels, not just ethanol but also biodiesel and the promise of other fuels made from biomass, such as corn stover, switchgrass, or even manure from feedlots.

Department employees have driven the GEC E85 Tahoe – provided to us by General Motors in a no-cost lease – some 40,000 miles across the state to highlight ethanol use. Events where it was featured include the ground breaking for a new 110-million-gallon plant in Garden City and the opening of a plant in Phillipsburg.

25x'25 Initiative

25 x '25 is a growing nationwide movement with the goal of having 25 percent of the nation's total energy needs provided by renewable resources by the year 2025. Governor Sebelius was the seventh governor to sign on as a supporter of this movement, and she wrote the other Governors' Ethanol Coalition governors urging them to join as well. She also has urged fellow Democratic governors to become supporters of 25x'25.

"Meeting the 25x'25 goal will create new economic opportunities, enhance national security and promote a bright future for the nation," Sebelius said in May 2006.

The vision of the initiative is that by 2025, renewable energy from America's farms, forests and ranches will provide 25 percent of the total energy consumed in the United States, while continuing to produce safe, abundant and affordable food, feed and fiber.

Kansas also is one of four states with a legislative resolution in support of 25x'25. In testimony favoring the 2006 resolution, I said I supported it for three reasons: it is voluntary, it is visionary, and it is value added.

The Department of Agriculture works closely with the state's 25x'25 steering committee. The group sponsored an agriculture energy day at the Kansas State Fair.

Renewable Fuel Production in Kansas

We believe we have a well planned and growing biofuels industry that will benefit rural areas in particular. At the end of 2006, we were at a production capability of 210 million gallons from eight working plants.

We're working to ensure wise water use and compliance with the Water Appropriation Act as new renewable fuel production and other businesses look to locate in Kansas. In areas closed to new appropriation of water, potential production businesses must purchase existing water rights and comply with rules designed to decrease consumption of water when changes of use occur. The average Kansas plant uses about 3.34 gallons of water to produce a gallon of ethanol.

In 2006, ground was broken for a large, 55-million-gallon ethanol production facility in Garden City and a 110-million-gallon plant near Liberal. Other plants are in the planning stages, and we expect some 585 million gallons of possible new production to help us reach the potential to produce some 800 million gallons a year.

In addition, plants were in the planning stages for Ford County, Pratt, Concordia, Rice County and Goodland. At Colwich, Abengoa announced a new plant near their existing plant with an output of between 80 and 100 million gallons. Abengoa also is considering constructing a cellulosic ethanol plant in Kansas.

Renewable fuels help us drive our cars and trucks, and they drive rural economies. Remarkable synergies are made possible through renewable fuel use and production, benefiting rural communities and farmers in many counties surrounding production plants.

A study in Nebraska found that a relatively small ethanol plant gives a one-time boost of \$71 million during construction. Then, in operation, it expands the local economic base by more than \$70 million each year through direct spending of \$58 million. It creates 33 good, new jobs at the plant and about 120 other jobs in the local community.



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Still, there is room for growth in ethanol production from traditional sources of corn and grain sorghum, the feedstock for more than half of Kansas' ethanol production. That also is important in terms of sustaining our important water resources. Another byproduct of ethanol production, distillers' grains, can be fed to cattle and other livestock.

Even with growth of biofuel production from grain, there's room for new renewable fuels from cellulosic sources. Research on production from these sources, such as switchgrass, wood chips, corn stover or other plant sources, is ongoing. Experts believe the technology to make widespread production of cellulosic based fuels is just around the corner.

Many groups are working on expanding the E85 infrastructure and the production of flexible fueled vehicles. Our newest E85 station in Salina means that soon it will be possible to fill up with E85 from one end of Kansas to the other.

Biofuel Incentives and Other Legislation

Legislation that passed during the 2006 session provides for a production incentive of \$.30 a gallon for biodiesel, and at least four biodiesel plants currently are in the planning stages. That incentive joins a continuing state incentive for ethanol production.

Legislation was signed by Governor Sebelius allowing an income tax credit, beginning with the 2006 tax year, for investments in new construction or to expand an existing entity; Kansas Development Financing Authority provides finance assistance through tax incentives.

The governor supported and signed 2005 legislation to remove the mandatory labeling requirement for E10 ethanol. That resulted in a substantial increase in Kansas E10 sales.

Governor Sebelius also supported and signed 2006 legislation to reduce the tax on E85 ethanol by 17 cents per gallon. Although it is not detailed in the law, the percentage of that reduction is commensurate with the BTU content of E85. The bill took effect in December 2006.

Economic Development Incentives for Renewable Energy Production

A variety of rural economic development incentives can benefit renewable energy production. These include the following:

Agricultural Value-Added Loan: The Department of Commerce provides loans for feasibility, business plans or equity drives. Loans for feasibility are forgivable if the feasibility study is negative and the project does not move forward. Equity drive loans typically are paid back within 120

days after a successful equity drive concludes. Other loans are interest free for two years and are 1 percent over prime over the balance of the loan.

Community Development Block Grant: The local unit of government may apply for infrastructure funding on behalf of a private, for-profit biofuel entity. Funds may be used for water, sewer, road, or a rail spur. The maximum amount of funding is \$35,000 for each job created job, up to a ceiling of \$750,000. At least 51 percent of the jobs must meet HUD's low-and-moderate income test for the county where the project is located. This program requires that half the funds be paid back over a 10-year period at a 2 percent rate. This payment stream is accomplished through a special assessment placed on the property.

Other incentives are available as projects progress.

Governor's Rural Life Task Force

This task force, created by Governor Sebelius to advise her on rural issues, first met in 2003. The product of those first meetings at the Kansas Sampler Foundation near Inman was a set of stories of the past, present and future of rural Kansas.

Events and policy choices by state government over the last three years read like an echo of those stories. The advice of the task force has played a part in Kansas initiatives on agritourism, direct marketing of agricultural products, and creation of the Center for Entrepreneurship, Rural Business Development Tax Credit, State Entrepreneurial Fund, the Angel Investor Network, and more.

The Kansas Energy Council was created, and the task force has been a leader in efforts to learn more about and promote community wind energy projects. The governor directed several GIS implementation groups to work on bringing GIS to rural areas. Geographic information systems can help efforts to share data and information across disciplines and jurisdictional lines.

Legislation was passed to remove barriers to consolidation and cooperation among units of government in Kansas. A Kansas Food Policy Council was formed, and a focus on the food and human health aspects of our agriculture system continues to grow.

The premier issue of the year was the continued work of the three pilot communities. Work is ongoing with the three communities chosen by a subcommittee of the task force led by task force co-chair Marci Penner. Other committee members were Dave Govert, Joe King, Sharla Krenzel, Mike Mayberry, Dan Nagengast (task force co-chair), Tim Peterson, Debbie Richter and Dan Thalmann. They did the work of creating a pilot project application and reviewing the information submitted from 47 communities that applied.



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The communities selected were Onaga, Smith Center, and Eastern Cowley County (Atlanta, Burden, Cambridge, Dexter and the eastern rural area of the county—ABCDE for short.)

Onaga had an initial focus of improved housing quality and quantity as a Governor's Pilot Community. However, in the process of addressing that singular priority, they have created long-term benefit from work done by the mayor and city council on ordinances, enforcement actions and building codes. They have also made street improvements, are rehabilitating existing homes, looking at new housing construction north of their hospital, and have also undertaken a public-private sector approach to playground and park improvements. They have repaved their streets and have demolished several uninhabitable homes and have eleven more lined up for renovation. A new business, Morrill and James, has built a new building to office 30 to 50 employees. The city approved tax abatements for new grain storage of more than 1 million bushel capacity built by the co-op and for the Morrill/James offices. With their strategic housing plan, they are leveraging the benefits of the increases of military populations at Ft. Riley and capitalizing on the potential job growth of two local employers. They, like ABCDE, have an energized and focused a volunteer base and their progress will go well beyond just the housing needs initially identified.

Eastern Cowley County issues included business and job creation, downtown development, youth retention, agritourism and housing. Since their selection, the communities of eastern Cowley County have developed a comprehensive regional marketing strategy with the assistance of the Department of Commerce to market their communities, their retail businesses, their events and festivals and their quality of life. They have also retained the services of the QUAD Enterprise Facilitation project facilitator to be their business coach to accelerate their business start-ups and create greater sustainability. Their communications plan includes their new weekly electronic newsletter, as well as a monthly regional newspaper. Some benefits the ABCDE communities derived that were not an anticipated were the strategic planning, leadership development, volunteer support and enthusiasm that have driven the entire process and will continue to sustain it. They also have learned that by speaking with a unified, regional voice they can have a greater impact than they could as individual communities.

A priority for Smith Center was image enhancement to better market the community and the quality of life to be found in Smith Center. NexTech is now helping to further develop and maintain the community's website, and the Department of Commerce brand image enhancement staff has met with the community to introduce the brand image tool kit to help brand Smith Center as "Heart of the Nation, Still Beating Strong." To address some issues of residential blight, four uninhabitable homes were demolished and the lots were cleared and are now privately owned. Department of Commerce staff met with task force members to assess their downtown and begin the visioning process for main street historical preservation and new

business start-ups. That vision statement has been drafted and is awaiting community approval.

In each case, lessons will be learned about how communities develop goals and prioritize issues, as well as how agencies deliver services.

Grape and Wine Industry

Under my leadership we have developed programs to help protect specialty crop growers – grape and wine producers, organic farmers, cotton producers, to name a few – from the practices of mainstream farming. We continue to work on pesticide issues.

I began the Grape and Wine Advisory Council, promoted development of a specialty crops website, and participated in promotional activities for grapes and wine at the State Fair and other events.

We have been active in helping these producers develop and agree on legislation needed to benefit their industry.

The council has helped the industry agree on some important policies and, in 2006, the Kansas Legislature passed legislation to allow Kansas wines to be shipped in and out of the state. The industry continues to grow and to contribute to economic development and tourism in rural and other parts of the state.

The council currently is working on issues of information and support for growers, training and educational programs for potential producers and vineyard employees, and clarification of state regulatory programs.

Interstate Sales of State-Inspected Meat

The National Association of State Departments of Agriculture and a coalition of 20 farm and agriculture groups, including the Kansas Meat Processors Association, launched a grassroots campaign in 2006 to urge the passage of the "Agricultural Small Business Opportunity and Enhancement Act" (S. 3519), which was introduced this summer in the U.S. Senate, and the "New Markets for State-Inspected Meat and Poultry Act of 2006" (H.R. 6130), which was introduced this fall in the U.S. House of Representatives.

The key objectives of these bills were to:

- ensure that all meat and poultry products are inspected under a seamless national inspection system;
- eliminate the prohibition on interstate shipment of state-inspected meat and poultry products.

The 1967 and 1968 meat and poultry acts prohibit state-inspected products (beef, poultry, pork, lamb and goat) from being sold in interstate



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commerce. However, the prohibition does not apply to "non-amenable" products, like venison, pheasant, quail, rabbit, and a host of others. These products typically are regulated by state inspection programs and can be shipped in interstate commerce without restriction. Current law also allows products from meat processors in other countries greater access to American markets, as long as they are produced at plants that meet food safety standards equal to USDA's. State meat inspection programs must be equal to federal inspection, although state-inspected products may only be sold in the state where they were produced.

Many people are surprised to learn that farmers, on average, receive less than a quarter from every consumer dollar spent on food. Farmers hoping to capture more of that dollar have increasingly turned to direct-marketing their meat and other farm products to consumers. Unfortunately, our farmers can't take full advantage of this opportunity thanks to the obscure and outdated federal rule that prohibits state-inspected meat products from being sold across state lines.

Currently, Kansas and 27 other states have their own meat and poultry inspection programs. State programs like ours typically cover small establishments that don't have the volume of business to justify the expense of a full-time USDA inspector.

The state inspection programs have a very strong record for effectiveness and food safety, and they appeal to farmers because they provide more marketing choices. Farmers say they love the marketing flexibility the program offers, and meat processors are attracted to the program because state inspectors can help them update their food handling procedures and technologies.

It's hard to see any sense to blocking a farmer or small business from selling locally processed beef, pork or poultry to eager customers just across the state line when there is no difference in food safety. Even more puzzling is the fact that the ban has remained in place despite three USDA advisory committees finding that its removal would create jobs and stimulate the rural economy.

Removing the ban on interstate sales is an economic fairness issue. It will level the economic playing field for small businesses, spur more competition in the marketplace and create a more uniform inspection system. I will continue to lend my support to the National Association of State Departments of Agriculture and their grassroots effort to rectify the disparity caused by outdated federal laws governing interstate sales of state-inspected meat.

Homeland Security

Every program administered by the Kansas Department of Agriculture includes a homeland security component. Therefore, a new, full-time

homeland security position was added in February 2006. This position is responsible for ongoing development of agencywide homeland security initiatives, for helping agency programs establish internal response protocols, and for carrying out outreach activities to enhance the overall readiness of the agriculture industry.

The department is a leader among state agencies for its execution of the Governor's Executive Order 05-03 directing the implementation of Homeland Security Directive-5. Basic training on the Incident Command System and National Incident Management System is required of all department employees, while some employees will take advanced training to prepare for more demanding positions during emergencies.

We are developing a system of realistic exercises to test program and staff readiness and Incident Command System skills. We also are developing risk communication strategies and written emergency protocols, both internal and external, to ensure effective response to disasters and continued operations.

Food Defense: A key factor in protecting public health and preserving the competitive edge of our agricultural industries is to maintain an effective inspection system. The dairy, meat and poultry and retail inspection programs have focused efforts on strengthening partnerships with producers and emergency responders at the local, state and federal levels. Maintaining programs that equal federal food safety standards ensures Kansas companies are able to market agricultural products in national and international markets.

Plant Health: Kansas faces many challenges from disease, insects and weeds that have arrived or will arrive in the next decade. In international trade, nearly all products are transported in containers sealed in the exporting country and opened on arrival at their destination in Kansas. This provides a pathway for exotic pests to be introduced directly into our environment. The possibility of a terrorist introducing a pathogen to cause economic and environmental harm is real. Our Plant Protection and Weed Control program relies on its staff of well-trained and dedicated professionals, who are experienced in working with many public and private entities, to protect our state's natural and cultivated plants. Effective outreach, having emergency resources available and a judicious regulatory authority based on sound science are basis for this program's success.

Water Resources: Floods and droughts are among the most prevalent hazards. Although flood awareness and prevention is relatively well ingrained among local communities, protecting against accidental or criminal damage to water structures seems to be a lesser priority when scarce financial resources are allocated. Kansas has 148 non-federal, high-hazard dams that lack an inundation map. The estimated cost to prepare an emergency action plan and inundation map for these dams is approximately \$700,000. Inundation maps are necessary because local



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and state emergency management agencies, as well as regulators like the Department of Agriculture, need the information to identify homes and critical infrastructure, like highways, hospitals, railroads and public utilities, that would be affected by a dam failure. These maps and the emergency action plan help facilitate timely notification and evacuation of those individuals who would be in danger.

The department continues to work with the Adjutant General's Department, the Division of Emergency Management and the Kansas Highway Patrol to develop prevention, response and recovery plans. We are designated in the Kansas Response Plan as the coordinating agency for Emergency Support Function #11, and the lead agency for plant disease, food safety, agricultural production and public water supplies.

Some 80 percent of the federal funds Kansas receives from the U.S. Department of Homeland Security for homeland security activities are earmarked for local activities. The remaining 20 percent supports state-level efforts across all governmental disciplines.

Two homeland security funding proposals for enhancements in the areas of plant health and food and agricultural safety helped Kansas secure a greater percentage of homeland security funds in federal fiscal year 2006. These two proposals were rated as exemplary by a national panel sponsored by the Department of Homeland Security.

Of the state's share of homeland security funds for federal fiscal year 2006, the department received \$100,000 for a vulnerability assessment of the transportation of agricultural goods. This project is a collaboration with the Kansas Animal Health Department, Kansas State University and USDA's Animal and Plant Health Inspection Service.

The Plant Protection and Weed Control program used federal fiscal year 2004 homeland security funds to construct and outfit a mobile emergency response laboratory. This project is a collaboration with Kansas State University and USDA's Animal and Plant Health Inspection Service. The lab will be used to provide onsite diagnostic and sample processing in the event of a plant or animal disease emergency.

One veterinarian from the Meat and Poultry Inspection program was trained by USDA as a foreign animal disease diagnostician to augment Kansas Animal Health Department staff in the event of a foreign animal disease outbreak. Other staff veterinarians are waiting to be accepted for future training opportunities.

The department, in partnership with the Kansas Animal Health Department and Kansas State University, conducted an initial agricultural security needs assessment, and identified and prioritized potential projects to help minimize our vulnerabilities and enhance our overall response capability. Our homeland security specialist periodically attends regional homeland

security council meetings to discuss statewide agricultural needs and to help develop regional initiatives to address those needs.

Kansas continues to be an active participant in the Multistate Partnership for Security in Agriculture. Other member states are Illinois, Iowa, Kentucky, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, South Dakota and Wisconsin. The partnership was formed in August 2003 to ensure that America's agricultural system is secure, that its people are safe and its economy is strong. Partnership states collaborate on surveillance, preparedness and response to threats in agriculture, whether intentionally introduced or naturally occurring. No-match federal funding for the partnership comes from the Department of Homeland Security to support the continuation of this important interstate effort.

During the past year Kansas benefited from a variety of partnership-sponsored projects including:

- Developing a Kansas Food Emergency Response Plan. The partnership funded technical support to help develop the plan, and the department hosted a planning workshop involving more than 20 participants from the private and public sectors, who discussed emergency response policies for potential food defense situations. The plan was adopted by reference through the Kansas Response Plan.
- Executive Spokesperson Training. Spokesperson training was provided to executive level staff of agencies that will have a role in agriculture emergency response plans, including the departments of Health and Environment, Wildlife and Parks, Emergency Medical Services, Animal Health, Commerce, Bureau of Investigation and Highway Patrol.
- Risk Communication Training. The department hosted a training session on risk communications for program-level staff of agencies that would be tapped to respond to an emergency involving agriculture or food. The training sessions also were used to introduce communication materials that had been developed by partnership states, including fact sheets and checklists about plant and animal disease. The training helps ensure consistent messages are used to communicate to the public and the media during a crisis, which will be especially critical when the emergency involves many states.
- Joint Information Center Exercise. Kansas participated in a multistate joint information center exercise that was designed to test the vertical integration of government agencies in coordinating emergency alerts, news releases and policies on public information.



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The Kansas Department of Agriculture budget for fiscal year 2006 was \$23,128,378. 44 percent came from the state general fund and 56 percent came from fees, grants and federal funds.

The Kansas Department of Agriculture had 302.5 full-time and 27 unclassified, temporary employees in fiscal year 2006.

Kansas Agriculture: Past, Present, Future

Kansas has a strong agricultural tradition that predates its statehood, and agriculture continues to be a significant contributor to the state's economic well-being.

Currently, Kansas produces more wheat, grain sorghum and beef than any other state in the nation. Cash receipts for farm marketings were nearly \$10 billion in 2005, and Kansas ranks seventh in farm product exports, which were valued at \$2.7 billion in 2005.

Agriculture clearly is a part of Kansas' past, and it is a key economic driver in our present, but it also holds great potential for our future.

Increasingly, agricultural resources provide raw materials for a broad range of nonfood products, such as chemicals, fibers, construction materials, lubricants and fuels. Developing and commercializing biobased and bioenergy products provide new and expanded markets for agricultural feedstocks, it reduces our nation's dependence on petroleum and other imported materials, and it helps diversify agriculture.

The Kansas Department of Agriculture helps promote an environment conducive to the vitality of new initiatives involving agriculture. We help coordinate the communication needed to explain regulations and opportunities that exist in Kansas, so that new initiatives have a chance to succeed.

Agency Mission and Secretary's Role

The Kansas Department of Agriculture is a regulatory agency that serves all Kansans. It is charged by law to ensure: a safe food supply; responsible and judicious use of pesticides and nutrients; the protection of Kansas' natural and cultivated plants; integrity of weighing and measuring devices in commerce; and, that the state's waters are put to beneficial use.

The strong foundation provided by the agency's regulatory programs allows the secretary of agriculture to effectively advocate and educate on behalf of Kansas agriculture.

Food Safety and Consumer Protection Programs

These programs focus on protecting the health and well-being of all consumers.

The **Retail Food Inspection** program is responsible for food safety inspections at grocery stores, restaurants in grocery stores, convenience stores, food wholesalers and warehouses, food processors and food manufacturers. Program staff also are responsible for verifying that eggs are properly identified and handled to ensure their safety.

The **Meat and Poultry Inspection** program licenses and inspects meat and poultry plants in a manner that is equal to federal inspection. It also responds to consumer food safety concerns involving meat or poultry products.

The **Dairy Inspection** program conducts inspections, collects samples for analysis, and issues permits and licenses to ensure that milk and dairy products are produced, processed and distributed to reach consumers in a safe, wholesome and unadulterated form. They also inspect ice plants, and beer, wine and cider producers and bottlers.

The **Agricultural Commodities Assurance Program** contributes to food safety by verifying that inputs to agriculture are safe, quality products that are not misrepresented to their consumers. These products include: seeds, which must meet label guarantees and contain no noxious or restricted weed seeds exceeding the quantity allowed; commercial feeding stuffs, including pet foods, which are analyzed and registered to prevent contaminants and adulterants from entering the human and animal food chain; FDA medicated feeds, which are monitored for good manufacturing practices and compliance at feed mills to prevent adulterated, misbranded or unhealthy animal feeds from entering the human food chain; and, FDA tissue residue tests, which are performed on beef and pork products when cases of misuse of federally regulated livestock medications are reported.

The **Weights and Measures** program protects consumers by inspecting and certifying large and small scales, scanners and gasoline pumps, by testing fuel quality and by calibrating weights. They also are responsible for food safety inspections involving ice cream trucks and food-dispensing vending machines.

The **Grain Warehouse Inspection** program operates to ensure the quantity of all stored commodities to all producers of grain in Kansas, and to ensure that grain producers have solvent, licensed warehouses in which to store their grain. Staff examine licensed warehouses at least once a year as required by law, and examine warehouses that meet only minimum financial requirements more than once a year, to protect each warehouse's depositors of grain. Staff also are authorized to require grain sampling and testing if the quality of stored grain appears to be in jeopardy.

Environmental Protection Programs

These programs focus on protecting the health of the state's natural and cultivated plant resources, and the environment, through preventive actions and activities designed to ensure the safe and proper use of agricultural chemicals.

The **Plant Protection and Weed Control** program protects Kansas' natural and cultivated plants from the introduction of foreign plant pests. Staff also work with county noxious weed departments to help control



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or eradicate destructive weeds in Kansas. The program also issues the appropriate certificates for Kansas-grown commodities to be marketed nationally and internationally.

The **Pesticide and Fertilizer** program protects the public's health by promoting the safe use of pesticides and fertilizers. Regulated under the Pesticide and Fertilizer program are: pesticides, by licensing and certifying pesticides and pesticide applicators; commercial fertilizer, by ensuring fertilizer products are labeled accurately, and by allowing program staff to issue stop sale/stop use orders to prohibit further sale of a fertilizer, or further use of facilities or equipment used in the transport, handling, distribution, dispensing, selling, storage or disposal of fertilizer; soil amendments, for which proof of product efficacy must be provided before products are offered for sale; anhydrous ammonia, the sale of which is monitored, and the storage, handling and transportation of which is inspected, and which staff try to prevent and reduce the impact of accidental releases of anhydrous ammonia through a strong industry training program; and agricultural lime, compounds that contain calcium or magnesium for neutralizing soil, are monitored for effectiveness and accuracy in labeling.

The **Agricultural Laboratory** establishes, maintains and improves analytical laboratory services for the Meat and Poultry Inspection, Dairy Inspection, ACAP, and the Pesticide and Fertilizer programs. It ensures that submitted samples are subjected to the highest possible testing standards of accuracy and precision. This is done to protect the health and safety of Kansans and to facilitate accuracy in labeling of products offered for sale.

Water Resource Programs

The water resource programs provide a public safety function through inspection of water structures and management of the quantity of the state's scarce water resources.

The **Water Appropriation** program manages the state's water supplies through a system of permits, reviews and inspections. It issues water rights, maintains data about water use and administers water rights during times of shortage.

The **Water Structures** program inspects and regulates the safety of dams that could, if they failed, endanger lives and property. The program also monitors activities affecting the flow of rivers and streams to ensure these activities are properly planned, constructed, operated and maintained.

The **Water Management Services** program administers the four interstate river compacts and the subbasin resource management plan, which is developed in conjunction with local agencies working toward a long-term, statewide water use plan.

The **State Water Plan** program encompasses activities from other programs, including interstate water, and basin and floodplain management.

Administrative Services and Support

Under the direction of the secretary of agriculture, the administrative services and support section provides the general policy, outreach, coordination and management functions for the department. This includes the office of the secretary, central fiscal and records center, personnel, legal, automation and telecommunications, research, information and education.

Within the administrative services grouping is the statistical services and support program, also known as **Kansas Agricultural Statistics**, a cooperative federal-state program involving the Kansas Department of Agriculture and the United States Department of Agriculture. Kansas Agricultural Statistics collects, analyzes and disseminates a wide array of data about the many varied segments of Kansas agriculture. All reports are available online at www.nass.usda.gov or through www.ksda.gov.



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Retail Food Inspection

The Kansas Department of Agriculture's Retail Food Inspection program is responsible for licensing and inspecting the following facilities:

- grocery and convenience stores
- restaurants in grocery and convenience stores
- food processors and manufacturers
- food wholesalers and warehouses
- mobile ice cream vendors
- food vending machine companies and dealers
- farmers' markets (excluding food service)

By the end of 2006, the Retail Food Inspection program will have eight inspectors, one food safety inspection supervisor and a program manager who oversees the Retail Food Inspection and Meat and Poultry Inspection programs. The program contracts with seven local or county health agencies to inspect food service operations in retail food stores in 13 counties. All inspections are prioritized by risk, with more complex food preparation activities classified as higher risk.

The Retail Food Inspection budget for fiscal year 2006 was \$470,931.

The program is funded entirely by fees.

The program had seven full-time employees in fiscal year 2006.

The program provides routine food safety inspections, follow-up inspections, complaint investigations, food disaster response, and planning and licensing inspections. Program staff also conduct foodborne illness investigations in cooperation with the Kansas Department of Health and Environment Bureau of Epidemiology and Disease Prevention.

Federal food manufacturing and processing regulations have been adopted by reference and are enforced by our inspectors. The federal good manufacturing practices in manufacturing, packing or holding human food provide the authority we need to ensure that processors produce safe, wholesome food.

The Retail Food Inspection program, in partnership with the Kansas Department of Health and Environment's Bureau of Consumer Health, is close to adopting the 2005 FDA Model Food Code into regulation. It will replace the 1999 Kansas Food Code that is currently used. The food code outlines the requirements needed to ensure that food service and retail food stores operate safely.

We have contracted with the Food and Drug Administration to perform 100 food manufacturing inspections between Sept. 1, 2006, and Aug. 31, 2007. In early 2007, we will train two additional food safety inspectors and six dairy inspectors to perform these inspections. Under this contract, FDA will train department food safety staff through their electronic State Access to FACTS (eSAF) and Better Process Control School. Electronic State Access to FACTS is a web portal where our inspectors can access FDA inspection data for Kansas companies. It also allows FDA to capture inspection data electronically. The Better Process

Control School provides instruction on processes for commercial canning of high-risk foods.

Currently, there are more than 5,300 licenses under this program's jurisdiction. They are as follows:

- 2,880 retail food stores
- 1,913 food service establishments in retail food stores
- 543 food processors
- 70 ice cream trucks
- 35 vending machine companies

A food safety work group was organized by the secretary of agriculture to survey licensees to determine what improvements are needed to make the licensing structure more equitable based on risk. Work on that project will continue in 2007.

Meat and Poultry Inspection

The Meat and Poultry Inspection program ensures the safety and wholesomeness of meat and poultry items produced by Kansas slaughter and processing plants that are not under federal inspection. The program's mission is to detect, and eliminate from commerce, meat and poultry items that pose a health threat, are improperly labeled, or serve as a source of economic fraud to the consumer.

The program provides on-site inspection at slaughter and processing plants and out-of-plant enforcement through compliance officers who review products in commerce. Kansans who depend on the Meat and Poultry Inspection program include consumers who obtain meat and poultry products through commerce, plant owners who offer those products for sale, and livestock producers who market such Kansas-raised products.

The Kansas Meat and Poultry Inspection Act requires that all who are engaged in the business of slaughtering, processing, dressing, packing, manufacturing, distributing, brokering, wholesaling, or storing meat and poultry food products in Kansas be registered with, and in some cases pay a fee to, the Kansas Department of Agriculture. In fiscal year 2006, there were 384 such businesses registered, which is slightly more than in fiscal year 2005.

The Meat and Poultry Inspection program has three objectives: food safety, consumer protection, and education and outreach. The food safety objective is accomplished by ensuring that only meat and poultry products that do not pose a food safety hazard are allowed to enter the human food supply. The consumer protection objective is achieved by inspecting meat and poultry products involved in intrastate commerce to ensure that they comply with established standards of identity and labeling, which minimizes the opportunity for product adulteration and economic fraud. The education



**Food Safety
and
Consumer
Protection**

The Meat and Poultry Inspection Program budget for fiscal year 2006 was \$3,253,600. 48 percent came from the state general fund, 45 percent came from federal funds and 7 percent came from fees and special revenue funds.

The program had 60 full-time employees in fiscal year 2006.

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and outreach objective is met by supplying Meat and Poultry Inspection personnel with educational meetings, continuing education exercises and training materials, and by helping owners and operators of state-inspected facilities understand and comply with state and federal laws and regulations.

The Kansas program is modeled after the federal inspection program. Federal law requires state meat and poultry inspection programs to operate in a manner deemed at least equal to the federal program. To verify this requirement, USDA's Food Safety and Inspection Service performs comprehensive reviews of state meat and poultry inspection programs. The reviews consist of two parts: 1) the state program submits an annual self-assessment document to USDA's Food Safety and Inspection Service; 2) USDA's Food Safety and Inspection Service performs onsite audits of the state program. Both the self-assessment and onsite federal audits examine nine review components:

- statutory authority and food safety regulations
- inspection methodologies
- product sampling
- staffing and training
- humane handling laws and regulations
- other consumer protection regulations
- enforcement regulations
- civil rights requirements
- funding and financial accountability requirements

Our program received an onsite federal review in October 2003 and was deemed equal to the federal program in all nine components. We anticipate another onsite federal review will be conducted in the coming year. We continually evaluate staff and establishments to ensure food safety and to maintain our equal-to-federal-inspection status. It is important not only from a food safety perspective, but also from a marketing perspective, should Congress pass legislation that will allow state-inspected meat to be sold across state lines.

Plant owners under state inspection face the same sanitation and facility standards as their federally inspected competitors. However, they are not allowed to ship products across state lines. These plants provide a valuable service to Kansas' smaller communities, and they contribute to local economies by providing jobs and an outlet for livestock producers. The Kansas Department of Agriculture supports the federal legislation to eliminate the ban on interstate shipment of state-inspected meat and poultry products.

The program also remains active in foreign animal disease surveillance and bioterrorism preparedness in cooperation with USDA's Animal and Plant Health Inspection Service, the Kansas Animal Health Department, and Kansas Emergency Management. The Kansas Department of Agriculture has five veterinarians (four in the Meat and Poultry Inspection program and

one in the Pesticide and Fertilizer program) who will be called on to help the state respond to any outbreaks of foreign animal disease.

Dairy Inspection

The primary objective of the Dairy Inspection program is to regulate the production, transportation, processing and distribution of milk and dairy products from cow to consumer. Dairy inspection staff enforce Kansas dairy laws as well as the U.S. Food and Drug Administration's Grade A Pasteurized Milk Ordinance adopted by reference in Kansas. This provides uniform inspection and allows milk to move freely in interstate commerce under the Interstate Milk Shippers agreement between the states, FDA and the dairy industry.

The Kansas dairy industry continues to grow. The relatively dry climate in the southwest, the ability to obtain the desired quantity and quality of water, and an abundant feed supply contribute to this growth. We expect this growth to continue. Farm numbers will decrease but farm size (cow numbers and milk production) will increase at a greater rate. A very large, regional cheese plant is currently under construction in northwest Texas. That area, including southwest Kansas, is poised to experience another influx of dairies in order to supply milk to this plant. The dairy food industry also is working to develop new milk-based beverages and products to compete with other food and beverage products. Technology exists to extract the various milk components from raw milk leading to protein concentration, higher lactose, casein extraction and other processes.

One of the most recent trends is consumer-driven demand for local products. The dairy program recently helped several small dairy processing plants plan, build and begin production. Many of these small, local facilities take the industry back to the glass-bottled milk of several decades ago. Proportionately, these small facilities require more time by KDA inspection staff. First, their owners may not be aware of the stringent dairy food safety regulations. Second, it could be argued that small facilities like these have a greater local impact on food safety since more consumers are demanding homegrown foods. Locally grown foods are considered to be more "healthful" by many consumers. In reality, many of these new processors lack the training and the funding to develop in-house food safety programs, so they rely on a regulatory agency for help. So, in addition to providing regulatory oversight through required monthly sampling and quarterly inspections, Dairy Inspection staff also provide guidance, consultation, increased inspections and lab services to help them solve quality issues. As much as possible, staff try to blend regulatory oversight and enforcement with a great deal of help and consultation.

The Grade A Pasteurized Milk Ordinance is the model enforcement document agreed to by all states and the FDA. The requirements contained in the ordinance are updated and approved at the biennial National Conference on Interstate Milk Shipments. This past year, we updated our



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The Dairy Inspection Program budget for fiscal year 2006 was \$492,457. 33 percent came from the state general fund and 67 percent came from fees and special revenue funds.

The program had eight full-time employees in fiscal year 2006.

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adoption by reference of the 2005 ordinance and related documents in our regulations. The ordinance will continue to provide effective public health protection without being unduly burdensome to either regulatory agencies or the dairy industry. Occasional milk-borne outbreaks still occur, which underscores the need for continued vigilance at every stage of production, processing, pasteurization and distribution of milk and milk products. The goal to provide a safe, wholesome milk supply to the nation's consumers is foremost in our minds as we perform our duties.

Dairy program activities are divided into the general subprograms of farm production, raw product transportation, milk processing, packaged product distribution, and wholesale and retail sale. These goals are accomplished using sanitation inspections with supporting laboratory test results obtained from milk and dairy food samples.

As of November 1, 2006, the following were licensed or permitted in Kansas:

Dairy farms	447
Milk haulers	203
Milk tankers	122
Tanker wash stations.....	2
Dairy processing plants	11
Milk transfer stations	5
Single service manufacturers	8
Milk and dairy distributors	52

Kansas dairy farms are inspected three to four times a year and more often if serious violations are noted. Inspectors look at the general sanitation and cleanliness of the milking barn, tank room and milking equipment. Actual milking practices are observed to ensure that a safe, wholesome raw product is being delivered to the pasteurization plants. Each farm bulk milk supply is sampled monthly to confirm that it complies with standards for temperature, bacterial limits, drug residue, somatic cell limits, pesticide residues and added water. Of the more than 2,100 dairy farm inspections completed last year, there were 162 warnings issued and 12 permits were suspended until sanitation issues were corrected. When a permit is suspended, the dairy may not sell milk until the problem causing the suspension is corrected.

Dairy processing plants, and milk transfer/receiving stations, are inspected at least four times a year. Inspectors make sure they comply with cleaning and sanitation requirements. Pasteurization equipment is a primary focus of a plant inspection. All milk and dairy products sold at retail must be pasteurized to protect public health. Pasteurization equipment is tested quarterly by the department to ensure that raw milk is processed in a way that destroys all pathogens. Also, all products processed by the plant are sampled monthly to make sure they comply with standards for bacterial limits, drug residues, coliform bacteria limits, phosphatase testing and vitamin addition, and to make sure they are correctly labeled according to butterfat.

Our department's dairy lab plays a vital role in the overall enforcement of dairy regulations. Single-service dairy container manufacturers also are inspected. These facilities produce cartons, containers and closures for packaging dairy products.

Milk haulers in Kansas are licensed and evaluated on their ability to sample, collect and transport raw milk from the farm to the processing plant. Representative samples from each producer's shipment of milk are collected by the haulers. Producers are paid based on the testing of that sample. New milk haulers must complete a training exercise and a written test before they are licensed by the Kansas Department of Agriculture. Licenses are renewed annually and refresher training is required every three years. As dairy farms become larger and milk is being transported longer distances to regional processors, the importance of the milk hauler program becomes more critical. Communication and coordination of the milk hauler and milk tanker programs between individual states has become important in recent years.

The Dairy Inspection program also is assigned a portion of the department's food safety responsibilities. This includes the following fluid type food manufacturers:

- bottled water
- soft drink/soda bottling
- ice plants
- breweries
- wineries
- juice operations
- cider mills

These food safety duties fit well within the Dairy Inspection program and the expertise of our dairy inspectors. Many of the public health concerns in these facilities are mirrored in the dairy processing plants, including: protecting raw materials from contamination; preventing cross-contamination with physical, chemical or bacteriological contaminants; and ensuring sanitary processing and packaging of the final product.

The inspector is the primary point of contact for the regulated industry, and we are taking steps to equip inspectors with the tools they need to meet regulatory and food safety demands of the job. The dairy and food industry may view inspections as a necessary evil when they should see them as a tool to improve the quality and safety of their products. Used this way, the entire industry can enjoy sustained growth.

Agricultural Commodities Assurance Program

The Agricultural Commodities Assurance Program regulates the quality of eggs, feed, pet food and seed. Inspectors routinely visit supermarkets, feed mills, pet stores, and other retail and wholesale outlets to verify



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The Agricultural Commodities Assurance Program budget for fiscal year 2006 was \$437,001. 93 percent came from fees and 7 percent came from federal funds.

The program had 8.2 full-time and one unclassified, temporary employees in fiscal year 2006.

that products are properly labeled and to collect samples to send to our Agricultural Laboratory for analysis. These inspections ensure that food products consumed by the public are safe.

Last year, more than 65,000 eggs were inspected by ACAP staff. Inspections ensure that eggs are stored at 45 degrees Fahrenheit or lower, since storing them at a higher temperature may cause salmonella to grow, posing a human health threat. During fiscal year 2006, egg compliance rates increased to 97 percent. This percentage includes compliance with all requirements, not just temperature. At the end of 2006, egg inspection responsibility was transferred to the Retail Food Inspection program.

ACAP staff visit approximately 1,200 state and federally licensed feed mills to conduct good manufacturing practice inspections. Inspectors verify that these feed mills follow established good manufacturing practices to ensure that they produce feed that is safe and in compliance with state and federal rules.

During feed mill inspections, ACAP staff pay extra attention to materials that include bovine (cow) protein, since it has been identified as the vehicle responsible for spreading bovine spongiform encephalopathy, or BSE. Inspectors verify that any product containing bovine protein is labeled with a cautionary statement indicating that it must not be fed to cattle or other ruminants.

The compliance rate for feed samples checked for prohibited materials was 100 percent. This is a 2 percent increase over fiscal year 2004 and the same as fiscal year 2005. This number includes feed not intended to be fed to ruminants. Because compliance is so important to human health and the livestock industry, our goal is to maintain 100 percent compliance. When violations are reported by the Agricultural Laboratory, inspectors investigate to ensure that prohibited materials were not fed to cattle or other ruminants.

ACAP has contracted with the Food and Drug Administration to conduct BSE inspections at facilities that make or sell feed. In 2005, staff conducted 25 BSE inspections. Beginning in 2006, that number increased with an added focus on BSE and prohibited materials. In fiscal year 2006, ACAP staff conducted 128 BSE inspections and 66 BSE grant inspections.

ACAP also helps the federal government investigate tissue residue cases, where antibiotics and other drugs have been detected in animals destined for the human food supply. When a carcass is examined by a federal inspector, and antibiotic or other drug residue is found, ACAP investigates the cause and source of the problem. Last year, 5 tissue residue cases were referred to ACAP for investigation. We anticipate that number will increase.

Typically, when drug residue is detected, the problem can be traced to a dairy producer or rancher who medicated a sick animal and did not

wait long enough for the drugs to be expelled by the animal's body before marketing it. The ACAP inspector provides information regarding the importance of following label instructions and federal rules, and conveys the consequences of improperly medicating animals.

Most consumers look at nutrition labels on foods they consume. Some also look at the nutrition labels on their pet's food. ACAP inspectors make sure that the food we feed our pets contains what is identified on the product label.

Seed inspections are important to the agricultural industry and to consumers. Farmers use germination and purity guarantees to determine crop yield. If seed does not meet those guarantees, the crop will be less than expected and the farmer may suffer economically.

At the end of fiscal year 2002, ACAP began outsourcing its seed analyses to a private seed laboratory. Outsourcing the seed laboratory work resulted in enough savings to ACAP to allow the program to fund additional seed inspections and investigations. Seed compliance rates were 91 percent in fiscal year 2005 and 81 percent in fiscal 2006. The reduction in compliance is due primarily to a change in inspection priorities over the last several years. Prior to fiscal year 2004, inspectors sampled available seed without targeting any particular type. In fiscal year 2004, in an effort to be more effective, inspectors were directed to sample seeds with a poor compliance history, such as grass seed. This strategy is working, and we will continue to focus our resources on those seeds with a poor compliance history.

Weights and Measures

Ensuring accurate weights and measures are among the oldest government functions. It is specifically mentioned in the Articles of Confederation and the United States Constitution. The global and United States economies depend on uniform standards of mass, volume and length. Thus, the Weights and Measures program serves a very important role in consumer protection and in facilitating trade.

Weights and Measures inspectors test all kinds of commercial weighing and measuring devices. They test scales used in grocery stores, grain elevators, livestock sale barns, pawn shops and other locations. They test gas pumps and meters used to sell chemicals or to sell bulk fuel to farmers. They check packages containing edible and inedible products to ensure that the consumer receives the quantity stated on the label, and they even verify that scanners scan the correct price. Essentially, all consumer goods are subject, in one way or another, to the weights and measures law.

Functions of the Weights and Measures program fall into six categories:

- small scales



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The Weights and Measures program budget for fiscal year 2006 was \$1,497,884. 44 percent came from the state general fund and 56 percent came from fees.

The program had 21.1 full-time and one unclassified, temporary employees in fiscal year 2006.

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- scanners and packages
- large scales
- gas pumps and fuel quality
- meters
- metrology

The metrology function provides traceability services, both internally and externally. In addition to certifying the mass and volume standards for our own inspectors, the metrology function provides certification for service companies and industry.

Each year, the metrology program certifies approximately 11,000 standards. These standards include weights, test measures and provers. The certification provides traceability of those standards to those at the National Institute of Standards and Technology. Most of these standards are used to calibrate weighing and measuring devices, but a small portion are used by local industry in their quality control programs.

The metrology program participates in round-robin tests of standards and regional metrology meetings to ensure that results from our laboratory are consistent with other metrology laboratories throughout the world. Because of the strict guidelines the metrology laboratories follow, one can be confident that a pound in New York is the same as a pound in Topeka and is the same as a pound in Los Angeles.

Kansas requires every commercial weighing or measuring device, excluding gas pumps, to be tested by a licensed service company each year. The Weights and Measures program licenses service companies and their technicians. These companies are authorized to repair, install and certify commercial weighing and measuring devices. Kansas used to be the only state that allowed its service technicians to actually certify commercial weighing and measuring devices, now several states are going in that direction for financial reasons.

The Weights and Measures program provides oversight to these service companies and service technicians. Computer-generated lists of scales recently tested by service companies are provided to inspectors of large and small scales. The inspectors retest the devices and compare results to ensure that the device was properly tested. If we find that a commercial scale hasn't been properly tested by a service company, the scale must be retested and the service company may be fined.

Compared to some other states, the number of devices tested by the Weights and Measures program is lower, but our compliance rate for accuracy of these devices tends to be higher. The goal of any weights and measures program should not be the number of devices tested, but ensuring devices are accurate. Focusing on outcomes instead of outputs has served us well.

During the last fiscal year, the Weights and Measures program found that 96 percent of small scales in the state were accurate. This is 2 percent higher than the previous fiscal year's rate. The compliance rate for large scales is lower, 74 percent, because of climate effects on equipment.

Traditionally, the focus has been on conducting a representative scale test to determine the compliance rate for the state. Since the compliance rate is known to be low, the program is now concentrating on problem scales and conducting more follow-up inspections. It is hoped that through these efforts the compliance rate for large scales will continue to improve. This fiscal year, the program will again conduct tests based on a representative sample to determine if the compliance rate has improved.

Unlike small scales, which are used in a controlled environment, vehicle-tank meters and liquefied petroleum meters are used on the backs of trucks. They are subject to harsh environmental conditions (rain, snow, ice, heat, dust, vibration, etc.) and are harder to maintain in an accurate condition. As with large scales, emphasis is placed on follow-up inspections. Compliance rates improved in fiscal year 2002 and again in fiscal year 2003, but dropped a little in fiscal year 2004. The compliance rate for meters in fiscal year 2002 was 73 percent, 79 percent in fiscal year 2003, 76 percent in fiscal year 2004 and 84 percent in fiscal year 2005. While this number may not appear high, it is an improvement over the compliance rate of 67 percent for fiscal year 2000. In fiscal year 2006, the program was in transition and not as many meters were tested. In 2007, the program will resume testing meters at a rate comparable to the past.

Weights and Measures inspectors also conduct price verification inspections at facilities using scanners. The compliance rate for inspected facilities in fiscal year 2002 was only 49 percent. It was 55 percent in fiscal year 2003, 63 percent in fiscal year 2004 and 68 percent in fiscal year 2005. Several problems were found in fiscal year 2006, and the compliance rate dropped to 51 percent. Noncompliance includes stores that undercharged as well as those that overcharged. In fact, the number of items for which stores undercharge is slightly greater than those for which they overcharge. The Weights and Measures program continues to prosecute serious repeat offenders. While this has been effective at bringing those repeat offenders into compliance, the overall compliance rate has not improved as quickly as we hoped.

Inspectors who conduct small scale and scanner inspections also verify the net contents of consumer packages. Last fiscal year, inspectors sampled lots containing more than 39,000 packages to ensure that they contained the correct net quantity. In other words, they made sure that the consumer was receiving the amount of product for which he or she had paid. In an effort to use resources effectively, inspectors target packages they suspect do not contain the correct net quantity and do not inspect packages that have a high probability of passing inspection. This is important to understand when looking at the compliance rate for packages. Only 47



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percent of the packages passed inspection, but this does not mean that only 47 percent of the packages sold in the state are correct. One cannot draw any conclusions about all packages sold throughout the state. Inspectors conduct audit inspections (nonofficial inspections) to screen packages and only inspect packages that are likely to be in violation. Consequently, compliance rates apply only to those packages actually inspected.

The gas pump program tested more than 25,000 gas pumps last fiscal year to ensure that the consumer is getting all the fuel for which he or she has paid. This program has been very successful since changes were made to it in 1996. Prior to 1996, service companies were responsible for the annual gas pump tests. An increase in the petroleum inspection fee fund allowed the Weights and Measures program to assume responsibility for testing gas pumps. While the compliance rate for gas pumps in fiscal year 1997 was only 88 percent, it improved to 95 percent in fiscal year 2001 and remained there through fiscal year 2003. In fiscal year 2006 the compliance rate was 96 percent.

Gas pump inspectors randomly collect fuel samples to send to a private laboratory for analysis. It can be said, based on the results of these inspections, that fuel quality in Kansas is excellent. Ninety-four percent of the fuel samples this year passed the quality testing performed by the laboratory. The compliance rate usually runs about 97 percent a year, and we anticipate next year's compliance rate to be nearer to that.

Equipment for a new program, wholesale meter testing, was acquired in fiscal year 2002 and put into service in fiscal year 2003. This year we tested 324 wholesale meters used to sell gasoline and diesel fuel. The compliance rate was 95 percent, which is an increase from fiscal year 2005.

The Weights and Measures program will continue to inspect weighing and measuring devices in an effort to protect consumers and to provide equity in the marketplace. Shifting resources based on compliance rates of the various weighing and measuring devices and changing test methods will continue as a way to improve compliance rates without increasing staff size or program cost.

Grain Warehouse Inspection

The Grain Warehouse Inspection program administers and enforces the Kansas Public Warehouse Law relating to grain storage. It requires that any entity that stores grain for the public be licensed to ensure that Kansas grain producers have safe, solvent warehouses where they may store their commodities. To achieve this, the program examines state-licensed facilities at least once each year.

During fiscal year 2006, the Grain Warehouse Inspection program had 138 licensed elevators and 267 additional locations. The program performed 141 random examinations on the 138 licensed facilities. Facilities meeting

only the minimum financial requirements, or facilities with serious compliance problems, were examined more than once during the year.

Examinations help:

- reduce fraud in the grain industry.
- ensure the quantity of stored commodities in Kansas-licensed warehouses.
- achieve our goal of maintaining the percentage of loss to producers at zero.

The number of state-licensed elevators continues to decline. The decline in state-licensed facilities can be attributed to grain companies merging, being sold to another federally licensed or state-licensed facility, or elevators going out of business. When elevators merge, it is to reduce operating costs and to increase productivity.

A licensed elevator, with the approval of the Grain Warehouse Inspection program, may move warehouse-receipted grain to another licensed, bonded terminal elevator. This allows smaller facilities to free up bin space for the next harvest. Also, with approval from the program, licensed facilities may use emergency or conditional storage space during harvest when storage space is in short supply. This allows the elevator to better serve Kansas crop producers.

During the 2005 legislative session, the statutes were changed to grant grain examiners the authority to obtain representative samples whenever they suspected grain quality was in jeopardy. If quality problems are confirmed in a representative sample, the statute gives the secretary of agriculture authority to require the warehouse to have suspect grain thoroughly sampled and graded by the Kansas Grain Inspection Service. If the facility does not comply with the required sampling, the secretary may order it done at the facility's expense.

Looking ahead, warehouses will be moving toward electronic receipts. USDA already has implemented electronic warehouse receipts in cotton, coffee and peanuts, and is considering their use for grains. To remain competitive, Kansas may need to update its laws and regulations to allow industry to use electronic receipts. Authorizing electronic receipts also should reduce the amount of time examiners spend on examinations and they may even help reduce fraud.

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The Grain Warehouse Inspection program budget for fiscal year 2006 was \$448,163. 67 percent came from fees and 33 percent came from federal funds.

The program had 8.2 full-time and one unclassified, temporary employees in fiscal year 2006.

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Environmental Protection Programs

The Plant Protection and Weed Control budget for fiscal year 2006 was \$947,502. 64 percent came from the state general fund, 24 percent came from fees and special revenue funds, and 12 percent came from federal funds.

The program had 10.5 full-time and two unclassified, temporary employees in fiscal year 2006.

Plant Protection and Weed Control

The goal of the Plant Protection and Weed Control program is to protect the state's natural and cultivated plant resources from pests, which include insects, plant diseases and weeds. Program activities are divided into safeguarding, export commodity assurance and pest management.

Safeguarding and Homeland Security. Program staff conduct surveys for selected pests and inspections of plant material brought into Kansas to protect Kansas plant resources from the entry and establishment of high-risk exotic and invasive pests. Excluding pests, particularly those identified to pose the greatest risk of harm, will protect native and cultivated plant resources and maintain our ability to export Kansas-produced plant commodities and products.

A total of 72 rejection notices were issued to 14 states for nursery stock found to be in violation of Kansas pest-freedom standards. Five insects, including one instance of fire ants, four plant diseases and one weed were intercepted resulting in the rejections. Most of the rejection notices were for Hosta Virus X, which was a common problem throughout the country on hostas imported from Holland.

The Mobile Emergency Response Lab was created from a 26-foot FEMA trailer through a cooperative effort involving the department, Kansas State University and USDA's Animal and Plant Health Inspection Service to provide onsite diagnostic and sample preparation capability in the event of a plant or animal disease emergency. The initial construction phase was completed in fiscal year 2006. Permanent pieces of equipment are being installed in fiscal year 2007. Most of the lab equipment will be installed immediately prior to its use to avoid possible damage to sensitive instruments during storage and to maintain sufficient flexibility to equip the lab to fit the particular situation.

Data from Oklahoma indicate the possibility of Africanized honeybees entering Kansas in the next few years. Program staff worked with representatives from Kansas State University, USDA's Animal and Plant Health Inspection Service and the Kansas Honey Producers Association to develop an action plan to identify the role and actions for each agency should the bees be found in Kansas. Staff also provided bee training to first responders at six meetings across the state. The group also developed a fact sheet describing Africanized bees and how individuals can protect themselves and their families, and it is being distributed at meetings and trade shows.

Federal permits are required when live plant pests or noxious weeds are moved across state lines for research or commercial purposes. Each state has the opportunity to review and accept, deny or modify the conditions on the permit. The program manager accepted 35 permits and denied one permit to import a federal noxious weed into Kansas in 2006.

States also have the opportunity to review biotechnology permits for genetically modified organisms proposed for research planting. Kansas has 29 active permits. Fifteen permits are for corn, 13 for soybeans and one for wheat. Twelve of the gene traits are for product quality, six for herbicide tolerance, six for agronomic properties and five for insect, nematode or fungal resistance. A pilot program to train state staff to perform inspections required by USDA's Biotechnology Regulatory Services permit began in 2005. Two program employees are completing the required on-the-job training to perform these inspections.

Karnal bunt continues to be an issue with our trading partners, as are other diseases of wheat. The department participated in the national Karnal bunt survey in 2006 and will continue the survey in 2007. This disease has not been found in Kansas, but portions of Texas and Arizona remain under USDA quarantine for Karnal bunt.

Export Commodity Assurance. Program staff conduct focused surveys to ensure the pest-freedom requirements placed on Kansas-produced commodities by other states and foreign countries are met. These activities are essential to ensure the expeditious movement of commodities in international and domestic markets.

In 2006, a three-year khapra beetle survey was initiated to document the status of this stored grain insect in Kansas. Surveys using established protocols are necessary to document that we are free of this insect. Spice and food markets in northeast Kansas were the focus of the survey in 2006, and no khapra beetles were found. Next year the survey will focus on the Wichita area.

Program staff received refresher training to maintain their status as accredited certification officials to prepare and sign federal export certificates. Federal export certificates increased 12.2 percent from fiscal year 2005 to fiscal year 2006, and they are expected to increase a similar amount in fiscal year 2007. KC Transload, a new Kansas City business, loads grain and grain products primarily from the upper Midwest into shipping containers for ocean transport to other countries. These products must be inspected to verify they meet the requirements of the importing country before a phytosanitary certificate is issued. Corn and corn products accounted for nearly half of the certificates issued in 2006. Sunflowers were second, and were followed by soybean and soybean meal.

USDA may begin charging states for the federal phytosanitary certificates that states issue to accompany commodities destined for other countries. The Kansas Plant Pest and Agricultural Commodity Certification Act were amended in 2006 to allow the department to pass on this cost to exporters requesting the certificates. The Kansas Administrative Regulations are being amended to reflect this change.



Environmental Protection Programs

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Environmental Protection Programs

The weed free forage certification program was enhanced in 2006 when the department purchased two all-terrain vehicles to make inspections easier. The addition of temporary help to work with experienced staff to certify wheat fields prior to harvest has allowed the program to meet the producers' harvest schedule on nearly 8,000 acres of wheat straw in 2006. Producers asked that 18,884 acres be inspected in 2006, up 18.7 percent from last year.

We received a request to grade sweet corn at a facility in southwest Kansas. An agreement with the USDA Agriculture Marketing Service gives Kansas the authority to provide this service. The Colorado Department of Agriculture was able to provide the service in 2006, and they agreed to train our staff to perform this function. Commodity grading, particularly vegetables, is likely to become a larger part of the program as agriculture continues to diversify.

Pest Management, Control and Eradication. Program staff conduct activities to manage, control, or eradicate selected pests of regulatory significance already established in the state and provide technical expertise to program cooperators involved in managing pests.

A new project to distribute field bindweed gall mites was initiated in 2006. Field bindweed was grown in Styrofoam cups and inoculated with the gall mites at the Kansas State University research site in Manhattan. The infected plants were distributed to seven counties in an effort to establish this beneficial organism in more locations across Kansas.

A leaf feeding beetle, *Diorhabda elongate*, was released by USDA's Animal and Plant Health Inspection Service at two reservoirs in northwest Kansas in late summer 2005 for tamarisk control. Supplemental releases were made by USDA in spring 2006. A three-year survey project, funded by the USDA-APHIS CAPS program, using a global positioning system-equipped helicopter to map tamarisk in western Kansas, was completed in 2006. The current release sites at Kirwin and Webster reservoirs were surveyed, as were other federal reservoirs. The Pawnee Watershed in Finney County was surveyed prior to herbicide application to control tamarisk. This was done in cooperation with the Kansas Water Office and the State Conservation Commission, which had funding to treat tamarisk on a large-scale project.

As a component of the Japanese beetle biocontrol program, our laboratory cultured and harvested spores of *Metarhizium anisopliae*, a fungal pathogen specific to the beetle. The spores of the fungus were then released at specific sites to establish a natural control for existing populations of Japanese beetle. In addition, the laboratory provided spores to research and control programs in Iowa and Nebraska. Spore production is funded by a USDA-APHIS CAPS project, and distribution is accomplished with state funding. Calendar year 2007 is the last year for CAPS funding for this project. At that time, we will have to assess the success of the program and decide whether it should continue.

Persons selling live plants in Kansas must have a live plant dealer's license. In 2006, 1,981 licenses were issued representing a 5.7 percent increase over 2005. Of the total licenses issued, 551 were for dealers selling less than \$10,000, which are issued at no charge to the business. Staff persons compare client lists with advertising by live plant dealers to ensure compliance with the act. Verification inspections at live plant dealers were up by more than 50 percent from the previous year, but they still will fall short of the 2006 target of 314 inspections. Only 25 percent of the verification inspections were performed in 2005. A statistically valid formula is used to calculate the number of live plant dealers that must be inspected to provide assurance at a 95 percent confidence level that pests are being intercepted. Additional staffing and more efficient use of technology will close the gap in the future.

Plant Protection and Weed Control entered an agreement with the Kansas Forest Service to survey for pests affecting forest health. This matching grant allows the program to increase efforts to monitor endemic and exotic forest pests. Currently, emerald ash borer is a primary concern for Kansas. It was first found in the upper Midwest, and it recently was found in Indiana. The potential to move this insect via infested firewood is cause for diligence in detecting an outbreak before the insect becomes well established.

Pine wilt, a disease of Scot's and Austrian pine, is moving across Kansas from east to west. The disease is caused by a nematode native to the state. Clearly defining the leading edge of the disease by careful survey will allow foresters and landowners to slow the spread of the disease by removing and destroying dead trees before the nematode can be spread to healthy trees. We are considering developing an action plan to use the most effective methods to slow the disease's spread, as both pine species are important in windbreaks in western Kansas.

The wheat streak mosaic complex, which includes the wheat curl mite-vectored wheat streak mosaic and High Plains viruses, was the bane to the 2006 wheat crop. In west central Kansas, 18.1 percent of the crop was lost to wheat streak mosaic, which included a huge 38 percent loss on susceptible cultivars. Overall, the state lost 7 percent, or 23 million bushels, to the viral complex. The 20-year average loss was 2 percent, and the 2006 loss was the second worst since estimates began in 1976. Overall, disease-related losses in wheat were estimated at 8.5 percent, down from the 20-year average of 11.3 percent and from the 2005 estimate of 12.9 percent.

Pesticide and Fertilizer

The goal of the Pesticide and Fertilizer program is to protect Kansas residents and our environment by ensuring compliance with the laws governing: pesticides and their use, fertilizers, soil amendments, chemigation, and the management of manure from confined swine feeding operations.



Environmental Protection Programs

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Environmental Protection Programs

The Pesticide and Fertilizer Program budget for fiscal year 2006 was \$1,616,406. 6 percent came from the state general fund, 58 percent came from fees and 36 percent came from federal funds.

The program had 26 full-time employees in fiscal year 2006.

We strive to ensure that only registered pesticides and fertilizers are offered for sale or use in Kansas; that they are properly maintained and safely stored; that all pesticides are used safely and according to label directions; that soil nutrient levels are not exceeded when swine waste is applied to fields; and that safety equipment to protect groundwater is in place when chemicals and/or manure are applied via chemigation. To this end, we balance education and competency testing with enforcement.

We verify competency through certification, and we provide outreach and compliance assistance. During 2006, we administered 54 scheduled pesticide applicator certification testing sessions at eight locations across Kansas. Emergency examinations continue to be provided on an as-needed basis at our Topeka office. Instead of testing, a certified commercial pesticide applicator may renew the certification by training. We reviewed 167 certification training programs to ensure key topics were covered and to assign appropriate recertification credits.

Our enforcement consists of monitoring inspections and targeted investigations, usually based on complaints, with progressive enforcement responses. In 2006, we investigated 105 complaints of pesticide misuse and 43 other complaints. The remaining 2,019 cases consisted of routine inspections. We took enforcement actions on 371 of the cases, 54 of which involved civil penalties.

We are the lead state agency for enforcement of the Federal Insecticide, Fungicide and Rodenticide Act under a cooperative agreement with the Environmental Protection Agency. This grant has been renewed annually for many years, and it allows us to leverage our state pesticide program dollars for a program well above the state investment. In 2006, we referred 24 cases to EPA for FIFRA violations.

During fiscal year 2006, pesticide drift and sensitive crops continued to be closely monitored. The sensitive crop registry on our department website, and associated signage to mark fields where sensitive crops are grown, continued in 2006. We will enhance the registry in a new department website due for launch in 2007.

We previously developed an electronic spreadsheet to help swine producers prepare nutrient management. It was so well received that it was modified in 2006 to allow producers of other species to use it to prepare their nutrient management plans.

Most of this program's staff works out of home offices outside of Topeka. In 2006, pesticide field staff and most fertilizer field staff obtained high-speed internet connectivity, which has significantly improved efficiency in maintaining calendars and for data exchange.

Over the years, this program has compiled comments and suggestions related to our pesticide-related statutes. During 2006, the secretary of

agriculture called a working group together to discuss issues related to current statute and to ask for their input as to which, if any, of the issues should be addressed. That process is ongoing.

We thought 2006 would bring federal legislation to require this program to regulate the sale and distribution of nitrate fertilizers, but that didn't happen. Should it become a requirement, we believe it would be funded through a cooperative grant similar to the one we have with EPA for FIFRA enforcement in Kansas.

Agricultural Laboratory

Unlike most Kansas Department of Agriculture programs, the Agricultural Laboratory does not serve the public directly. No samples may be brought in by the general public to be analyzed. Instead, our customers are the regulatory programs within the Kansas Department of Agriculture.

The Agricultural Laboratory analyzes samples submitted by the department's different programs and provides credible, legally defensible results. While most inspections conducted by the department do not end up in court, those that do often rely on the analytical results issued by the Agricultural Laboratory.

The Agricultural Laboratory analyzed more than 8,900 samples during fiscal year 2006, which is 1,000 more than fiscal year 2005 and 1,800 more than fiscal year 2004. These samples included milk, dairy products, feed, fertilizer, meat and pesticides (including soil, vegetation and water samples). Occasionally a priority sample that may affect human health or the environment is rushed to the pesticide laboratory for analysis. These samples may be soil, vegetation, water, or even an article of clothing that can be important to an investigation involving pesticide misuse. An analysis can help determine if water is safe to drink, or if medical treatment is necessary for someone who may have been exposed to a pesticide. The regulatory actions taken by the Pesticide and Fertilizer program often are dependent on the results reported by the laboratory.

The success of the Agricultural Laboratory is due to the expertise of our staff and our precision instrumentation. Lab staff cannot support the regulatory programs without proper instrumentation. During the last two fiscal years, the Environmental Protection Agency provided funds to purchase two new, more sensitive instruments in the pesticide laboratory. This past fiscal year the feed and fertilizer laboratory added a more sophisticated instrument that will allow us to detect more metals than our old instrument. The new instrument allows us to simultaneously analyze for metals in animal feed and heavy metals in fertilizers.



Environmental Protection Programs

The Agricultural Laboratory budget for fiscal year 2006 was \$1,264,268. 13 percent came from the state general fund, 78 percent came from fees and 9 percent came from federal funds.

The program had 17 full-time and one unclassified, temporary employees in fiscal year 2006.

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Water Resource Programs

The Water Appropriation budget for fiscal year 2006 was \$3,349,545. 75 percent came from the state general fund and 25 percent came from fees and special revenue funds.

The program had 54.5 full-time and four unclassified, temporary employees in fiscal year 2006.

Water Appropriation

The Water Appropriation program is the largest and most diverse of the Division of Water Resources programs. It administers the provisions of the Kansas Water Appropriation Act and associated Kansas Administrative Regulations.

The Kansas Water Appropriation Act provides the foundation for the acquisition and administration of water rights in the state. Primary functions are to:

- Process applications for a permit to appropriate water for beneficial use.
- Issue certificates of appropriation for beneficial use of water in accordance with the development of a water right within the terms, conditions and limitations of the permit to appropriate water for beneficial use.
- Process applications for a change in point of diversion, place of use, and/or use made of water under an existing water right.
- Conduct field inspections on permitted projects to determine the development of water rights. Conduct compliance investigations on permitted projects to determine compliance with the terms, conditions and limitations of the permit.
- Maintain a reporting and accounting system of the amount of water used as reported by each water right holder. Implement testing of an online system to report water use data via the Internet. Provide data to the Department of Revenue for assessing the water protection fee that helps fund the state water plan.
- Process forfeitures of abandoned water rights and process voluntary closures of water rights.
- Administer minimum desirable stream flow, protect stored releases, provide permission to divert water, allocate water during shortages and investigate impairment, waste, illegal wells, or water use in violation of water right terms, conditions or limitations.
- Review proposed revisions to management programs of the groundwater management districts.
- Maintain Water Rights Information System by continuously updating application, water right, ownership, name and address information. This system is used as the base for the Water Information Management and Analysis System, which the public can use to access water rights information. This system is the primary

database used for many water right queries, including statute-required mass mailings and safe yield analysis for applications for permits to appropriate water.

- Process contacts for the Water Rights Conservation Program

There are approximately 38,000 active permits and water rights in the state that authorize the beneficial use of water. About 275 new permits and 438 change applications were processed between July 1, 2005, and June 30, 2006. Staff continue to work on files that require a verified report regarding the abandonment of a water right.

The program is committed to the timely processing of applications, due to the requirement set forth by KSA 82a-708a and KSA 82a-708b. There were nearly 600 permit applications that were pending in February 2002, and that number was reduced to about 200 at one point. Currently, the balance is about 300.

The program initiated approximately 70 new applications from facilities that require a water appropriation that previously operated as a domestic facility. The program will initiate an additional 60 new application from watershed districts across the state.

The program continues to work on the blatant, recurring overpumper project. Technical assistance is provided to these users to help them stay within their water right. If they continue to overpump, an enforcement action may be taken to order them to stop pumping. The project initially focused on high-demand areas. For the 2006 irrigation season, this project included impairment areas, Groundwater Management District 4, the upper and lower Republican, and the top 50 in the Garden City field office area.

In addition to those who pumped large quantities, a randomly selected number of those who reported any use over what was authorized were subject to a compliance investigation and possible enforcement action. In the past season, civil penalties were assessed for overpumping, meter violations and a permit violation. Penalties are assessed only after the water right owner is provided a compliance order and given an opportunity to comply.

Persistent dry conditions in Kansas are causing flow in many streams identified in KSA 82a-703 to go below minimum desirable streamflow criteria. Water rights junior in priority to the minimum desirable streamflow statute have been required to limit their diversions and water released from storage has been protected so that flow reaches the rightful owner of the resource.

Meter orders have been sent to water right owners in the Solomon River basin and in the fringe areas of the Ogallala Aquifer in the upper Republican River system. Meter orders were sent to owners in Hodgeman and Ness counties within the Pawnee Buckner subbasin. Meter orders

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Water Resource Program

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Water Resources Program

The Water Structures budget for fiscal year 2006 was \$2,691,954.

25 percent came from the state general fund, 68 percent came from FEMA and 7 percent came from special revenue funds.

The program had 14 full-time and three unclassified, temporary employees in fiscal year 2006.

will be sent to water right holders in Groundwater Management District 4. Each of these activities is part of the enhanced water management strategy described in the State Water Plan.

The program has implemented a project to install some remote reading devices on meters located in the lower Republican River basin. This program is supported by the Bureau of Reclamation.

Water is an essential public resource, and the Water Appropriation program is committed to protecting water rights for Kansans.

Water Structures

The Water Structures program is made up of four teams:

- administration
- stream obstructions and channel changes
- dam safety
- floodplain management

The program regulates human activities that affect the flow of rivers and streams to ensure that those activities are properly planned, constructed, operated and maintained for their authorized purposes without adversely affecting public health, welfare or safety, the environment, or public and private property. This regulation is accomplished primarily by permitting dams and other structures constructed in a stream or floodplain, or that alter the course, current or cross-section of a stream, and investigating complaints from the public about such structures.

In 2006, the Legislature provided funding for two new professional engineers, an administrative assistant and equipment. This allowed us to resume inspections of all high- and significant-hazard dams, a responsibility placed on dam owners in 2002. As shown in the table summarizing the dam safety team's activities, we will conduct approximately 130 dam safety inspections in fiscal year 2007.

The dam safety and stream obstruction and channel changes teams supported efforts by the secretary of agriculture to engage the dam safety community and aggregate producers in efforts to improve dam safety and to streamline the approval of aggregate production facilities in floodplains.

New rules and regulations relating primarily to the construction and operation of dams were developed during the past two years. The regulations will be subject of public hearings sometime in early 2007. They were last amended in 1986, and the new regulations address amendments made to the Obstructions in Streams Act by the 2002 Legislature and changes in industry practices since 1986.

An ongoing special project involves two temporary positions funded by the federal dam safety grant. The three-year grant expired at the end of federal fiscal year 2006, but Congress renewed the program for another year. We have about the same funding in state fiscal year 2007 as in the previous year. These positions enhance the dam safety program by improving public education and information efforts, and by investigating dams that currently are not permitted. We have also undertaken a review of dams in rapidly developing counties using a student intern to identify dams that may be affected by urban development.

The floodplain management team provides general technical assistance to the public and local units of government regarding floodplain management issues, oversees floodplain mapping projects, and develops strategies for soliciting and using federal grants and state resources to implement future floodplain mapping and studies in the state.

The studies noted below are funded by the Federal Emergency Management Agency's cooperative technical partnership program. Congress has charged FEMA to remap major population areas nationwide over the next few years, and our mapping projects follow FEMA priorities for the most part. The floodplain management team contracts with engineering firms to conduct these studies and manages the contracts to ensure FEMA's requirements are met in a timely manner. As communities (both cities and counties, although maps are created on a county basis) receive new maps, they must modify their floodplain management ordinances to incorporate the new maps into the ordinance and those modifications must be approved by this agency.

Floodplain management activities

	FY 2005 Actual	FY 2006 Actual	FY 2007 Goal
Communities with new or updated flood-hazard maps	6	6	11
Studies initiated	12	0	11
Studies completed	8	0	7
Miles mapped in completed studies	2,550	0	5,000
Ordinances reviewed	13	6	25
Ordinances approved	13	6	25

The stream obstruction and channel change team processes permits for floodplain fills, levees, stream obstructions and channel changes, except for dams. We continue to focus on reducing the length of time it takes to review permit applications and on increasing public awareness of legal requirements. The decline in permits processed is due in large part to a decrease in applications from the Kansas Department of Transportation. This is a trend we don't expect to continue because of the new national transportation program.



Water Resource Programs

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Water Resource Programs

Stream obstruction and channel changes activities

	FY 2005 Actual	FY 2006 Actual	FY 2007 Goal
Processing time for regular permit applications (days)	60	78	60
Processing time for general permit applications (days)	32	36	30
Processing time for floodway fringe fill approvals (days)	86	73	65
Process stream obstruction permits (number)	424	372	450
Process channel change permits (number)	75	61	80
Process floodplain fill/levees (number)	120	127	135
Permit determinations received	202	156	175
Permit determinations processed	105	142	175

The dam safety team is responsible for permitting dams above a size specified in statute and for inspecting those structures. Dams in Kansas are assigned a hazard classification ('a' or low, 'b' or significant, 'c' or high), which reflects the impact to those downstream in the event that the dam failed. The hazard classification does not reflect the actual physical condition of the dam, although a dam and its spillways may be inadequately sized if the hazard level changes to a more stringent classification. With funding provided in 2006, the team will conduct safety inspections on all dams scheduled to be inspected in fiscal year 2007, which means the owners of those dams will not be responsible for hiring an engineer to conduct those inspections.

Dam safety activities

	FY 2005 Actual	FY 2006 Actual	FY 2007 Goal
Number of new dams and modifications properly completed	27	31	30
Dam and dam modification permits processed	59	30	50
Number of core trench inspections	16	18	25
Number of pipe inspections	12	25	25
Number of final inspections	12	7	30
Number of site inspections	59	64	60
Number of unsafe dam inspections	1	0	4
Number of high-hazard dam inspections	2	1	74
Number of significant-hazard dam inspections	2	1	56
Number of safety inspection reports reviewed (review of the past year's reports)	69	3	125

Water Management Services

Water Management Services provides technical and data support to the chief engineer and to all Kansas Department of Agriculture water resource programs. The Water Management Services' goals and responsibilities are to:

- Provide administrative and technical assistance to the three water resource program areas, including leadership, management and coordination from the chief engineer.
- Develop long-term water management programs to address interstate and intrastate issues.
- Provide staff management and training.
- Represent Kansas in interstate river basin compacts.
- Implement or conduct interstate and intrastate monitoring programs to ensure compliance with interstate compacts.
- Provide quality control of data in the Water Rights Information System and Water Structures Inventory.
- Review and approve water conservation plans.
- Coordinate program efforts with other water-related agencies.
- Conduct hydrological studies and construct hydrologic models to provide information for regulatory decisions.
- Monitor stream flows and provide analyses to support minimum desirable streamflow administration.

Kansas is party to four interstate river compacts: the Republican River Compact with Nebraska and Colorado; Kansas-Colorado Arkansas River Compact; the Kansas-Oklahoma Arkansas River Compact; and the Big Blue River Compact with Nebraska. The chief engineer is a member of each compact administration to ensure that Kansas' interests are represented. The chief engineer, or his designee, also represents Kansas on the Missouri River Association of States and Tribes.

Water Management Services staff provide technical support and serve on various compact committees. This specifically includes activities related to compliance and enforcement, data acquisition and analysis, hydrological or groundwater modeling, and representing Kansas' interests at compact meetings.

Republican River Compact, Kansas v. Nebraska: On December 16, 2002, Kansas, Colorado and Nebraska announced a settlement had been

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Water Resource Programs

The Water Management Services budget for fiscal year 2006 was \$1,006,977. 94 percent came from the state general fund, 5 percent came from FEMA and 1 percent came from special revenue funds.

The program had 13 full-time and one unclassified, temporary employees in fiscal year 2006.

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Water Resource Programs

reached. On June 30, 2003, Kansas, Colorado and Nebraska agreed on a groundwater model to quantify, by state, groundwater use impacts on streamflow to be used in compact accounting procedures. The groundwater model has been jointly run and compact accountings have been produced under the settlement for years 2003 to 2005. The accountings show a consistent pattern of overuse by Nebraska and Colorado. The first probable violation by Nebraska will be in 2007 as a result of the 2005 and 2006 accountings.

Our Republican River Compact work for the coming year will continue to focus on implementing the settlement provisions and preparing for enforcement activities, including:

- Complete annual computations for 2006
- Kansas must prepare to address violations through the dispute resolution process and /or enforcement by the U.S. Supreme Court.
- Host the annual compact meeting. Host responsibilities include the cost of facilities, preparation and publication of annual report documents, serving as chairman of the various committees.
- Using the newly funded resources in fiscal year 2007, we will significantly expand our review of Nebraska and Colorado data, including field surveys.
- Contract with economic and data experts to determine data needs and prosecute a potential claim for damages against Colorado and Nebraska for their overuse. Begin collecting data and interview key water users in the basin to document damages.
- Contract with experts to prepare defenses against any attempts to weaken the standards of compliance.
- Develop the ability to run future scenarios to analyze compliance using the Republican River Compact Administration groundwater model. Continue working with the Kansas Water Office, Bureau of Reclamation and Groundwater Management District 4 in adapting the model for northwest Kansas.
- Continue participating in the five-year study of the effect of non-federal reservoirs and terraces on the basin's water supply.
- Begin participating in the Lower Republican River Feasibility Study, if it is authorized and funded by Congress.

Arkansas River Compact (Kansas v. Colorado) work for the coming year will focus on compact compliance and monitoring, including:

- Complete the final decree in Kansas v. Colorado, including its appendices. This includes taking exceptions to the decree before the U.S. Supreme Court and defending against Colorado's exceptions.
- Using the newly funded resources in fiscal year 2007, we will significantly expand our field and office review of Colorado's claimed dry-up acreage, replacement plans, and hydrologic-institutional model data inputs.
- Contract with Kansas experts to defend the standard of compact compliance from Colorado proposals. Colorado will likely propose a new hydrologic-institutional model and adjustments to methods to determine irrigation consumptive use. Contract with experts to train staff in the hydrologic-institutional model, and review of Colorado replacement plans.
- If necessary, review Colorado irrigated acreage data analysis using satellite imagery data by an outside contractor.
- Monitor Colorado's water resources development and related federal legislation.
- Continue work on disputes related to John Martin water accounting issues.
- Participate in the Bureau of Reclamation's 10-year review of its Trinidad Reservoir operation plan.
- Participate in a study of transit losses in the reach between John Martin Reservoir and the Colorado-Kansas state line.

In 2005, the chief engineer approved a charter for the Central Kansas Water Bank within the boundaries of Big Bend Groundwater Management District 5. We expect water banking activity to begin in late 2006, and that will require Water Management Services to conduct water right status reviews, review water right deposit and lease applications, process term permits and address other water right issues related to water banking. Currently there is limited interest by water right holders in the water bank, but that could change. Water use reports for those who participate in the water bank must be mailed earlier and must be returned to the division by December 31, 2006, for irrigation rights, or January 10 for all other uses.

In June 2006 the chief engineer initiated proceedings to establish an intensive groundwater use control area in the Pawnee-Buckner-Sawlog basins in parts of Hodgeman, Ness and Pawnee counties. A formal hearing will allow interested groups and persons who have a stake in the issue to make their opinions known.

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Water Resource Programs

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Water Resource Programs

The Subbasin Water Resource Management Program budget for fiscal year 2006 was \$927,730. It was funded entirely by State Water Plan funds.

The program had 11.59 unclassified, temporary employees in fiscal year 2006.

In 2007, we will continue to investigate water right impairment complaints, and to collect and analyze field data to develop sufficient hydrological analyses to support regulatory decisions. We also will continue to coordinate with the Subbasin Water Resource Management Team, the Kansas Water Office, members of the technical advisory committee, and the Division of Water Resources' peer review consultant to develop groundwater models in several hydrologic units within the state. We will monitor MDS gaging stations and stream flow and, as appropriate, administer water rights and permits with priority dates after April 12, 1984. We also will implement a document imaging system to digitally store critical water right documents.

State Water Plan

The Subbasin Water Resource Management Program addresses water resource issues identified in the State Water Plan. The program is funded by both State Water Plan funds and the State General Fund. It is implemented by the Kansas Department of Agriculture's Division of Water Resources.

The Subbasin Water Resource Management Program goal is to work with local stakeholder groups to develop proactive strategies to address groundwater decline, streamflow depletion and related water quality concerns in project areas identified in the State Water Plan.

The State Water Plan identifies groundwater declines and stream flow depletion in six of the 12 State Water Plan basins as important issues to be addressed by this program. In response, the program has determined that groundwater decline and stream flow depletion can best be addressed using a hydrologic subbasin approach to water resource administration.

A holistic and proactive approach to water resource management is used to develop management strategies with a team of environmental scientists in each project area. The project teams:

- become familiar with the project area's geology and hydrology;
- identify important water-related issues;
- work with local water users, federal, state and local agencies, and interested parties to develop and implement management strategies that address water shortages.

The major expenditures for this program are paying for staff, data collection, technical support in data analysis, and implementation of enhanced management strategies in targeted areas. For the past 12 years, this program's funding has been solely from State Water Plan fund. In fiscal year 2007, three positions within this program moved from being funded by the State Water Plan to being funded by the State General Fund. The remaining 10 positions continue to be funded out of the State Water Plan fund.

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It is recognized that water issues in Kansas are complex and program activities are critical to developing and implementing enhanced water management strategies in targeted hydrologic basins. The Subbasin Water Resource Management Program is currently involved in implementing strategies in the Middle Arkansas, Pawnee-Buckner, Rattlesnake Creek and parts of the Ogallala-High Plains Aquifer project areas. The Solomon River and the other parts of the Ogallala-High Plains Aquifer project area are in the strategy-development phase. Additional areas with State Water Plan identified water issues are Ozark Plateau, Marais des Cygnes and Marmaton tributary, Kansas River and its tributaries, and Verdigris-Neosho River basins. The primary issues in these additional areas are related to regional public water supplies, safe yield, surface water availability, water quality and quantity, and interstate issues. Enhanced water management is needed in these river basins.

To implement management strategies in the project areas requires an enhanced management approach. Enhanced management is defined as actions and activities to protect water rights and the associated aquifer and stream systems in targeted project areas where sufficient water is not available to satisfy existing uses due to excessive groundwater level decline and/or stream flow depletion.

In fiscal year 2007, the program received funding for 4.5 new positions to work in six State Water Plan basins with emphasis on enhanced water management. These positions will support the activities to protect the water rights and the associated aquifer and stream systems in targeted areas. Field investigations, ground, and surface water monitoring, stream-aquifer interaction studies, compliance, impairment complaints, and implementation of conservation and management actions will be the responsibility of these positions. Current areas being targeted for enhanced water management are the upper and middle Arkansas River, Rattlesnake Creek, Pawnee-Buckner and Ogallala-High Plains Aquifer. Funding is will be requested in fiscal year 2008 for enhanced water management in the Ozark Plateau.

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Water Resource Program

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Administrative Services and Support

The Records Center budget for fiscal year 2006 was \$536,221. 33 percent came from the state general fund and 67 percent came from fees.

The program had 11 full-time employees.

Records Center

The Records Center serves the customers of the Kansas Department of Agriculture by issuing all appropriate licenses, permits, registrations, and certifications. It also maintains accurate records and provides data to field employees, or Kansas residents and organizations who request information through the Kansas Open Records Act. The Records Center serves the Pesticide and Fertilizer, Agricultural Commodities Assurance Program, Weights and Measures, Dairy Inspection, Meat and Poultry Inspection, Retail Food Inspection, Grain Warehouse, and Plant Protection and Weed Control programs. It has 11 employees.

Applications for new licenses, permits, registrations and certifications are initiated in the Records Center. Likewise, all renewal notices are mailed from the Records Center. Once applications are received, the information is entered into the appropriate database and a license is printed and mailed. The goal of the Records Center is to process applications in an efficient and effective manner. Renewal applications are mailed one month prior to expiration. Most applications are processed and licenses mailed within one week of receipt in the Records Center.

During the past year the Records Center processed 21,916 new and renewal applications and 2,375 inspection fee reports.

We are continuing to make improvements to our Oracle database. Several reports that enable the other program managers to access the license and inspection data relevant to their programs have been developed. We continue to make changes to the screens to make data entry easier. We have made changes to the database to reflect the changes made in the Kansas Egg Law. We will now track facilities that our licensees sell to as well as distributors that retailers purchase from.

Government Agency and Custom Fertilizer Blenders were added as online renewals through Kelly Registrations Systems. We are working with www.Kansas.gov to develop online renewals through our web page.

Kansas Agricultural Statistics

The original powers and duties granted to the State Board of Agriculture in 1872 included biennial reporting on the status of agriculture. These duties were expanded to include statistical reporting in 1917. In 1924, a cooperative agreement was forged with the U.S. Department of Agriculture to ensure coordination of statistical reporting. As part of that agreement, the statistics division of the Kansas Department of Agriculture and the Kansas Field Office of the National Agricultural Statistics Service of the U.S. Department of Agriculture became a joint office known as Kansas Agricultural Statistics. By sharing resources with the National Agricultural Statistics Service, the statistics division is better able to serve the data needs

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of the Kansas agricultural community. A statistics fee fund allows us to meet the agricultural data needs of other public agencies.

Kansas Agricultural Statistics provides a wide array of agricultural data, much at the agricultural statistics district and county levels, including crop and livestock production data. Some reports, like the crop report and cattle-on-feed report, are available monthly. Others, like the hog and pig reports, are available quarterly. Cattle and sheep inventory reports are available biannually. A crop weather report is available weekly from March through November to track crop progress and condition. These reports are financed primarily by federal funds. All reports are available online at www.nass.usda.gov/ks/.

Kansas Agricultural Statistics also provides various public agencies access to the division's statistical expertise and data collection resources to perform special surveys that are beneficial to Kansas agriculture. Several reports are funded by the Kansas Department of Agriculture or other Kansas government agencies.

The Custom Rates data series is a guide for providers and users of custom services to evaluate fair compensation for custom work performed. Data are collected from users and providers of custom services. The Custom Rates publication is available only on the Internet at www.nass.usda.gov/ks/. Custom Rates data are funded by the Kansas Department of Agriculture.

The Bluestem Pasture Survey that provides landowners and cattle producers in the important Flint Hills grazing area a way to evaluate grazing lease rates was reinstated in 2006. The Bluestem Pasture Survey is funded by the Kansas Department of Agriculture.

The Wheat Varieties Survey is essential to both public and private wheat breeding programs. It takes many years to develop a new variety. The Wheat Varieties Survey allows wheat breeders to monitor acceptance of existing varieties and to assess the need for new ones. Seed dealers use the survey to ensure adequate supplies of planting seed. Data are available in hard copy and on the Internet at www.nass.usda.gov/ks/. The Wheat Varieties Survey is funded by the Kansas Wheat Commission through the statistics fee fund.

The Wheat Quality Reports funded by the Kansas Wheat Commission through the statistics fee fund were curtailed in 2006 due to reduced funding. The reports typically include an analysis of the quality of the current year's crop as measured by the inspection certificates issued by the Kansas Grain Inspection Service. The weekly press releases on wheat quality during harvest were eliminated with only one end-of-harvest report published. The annual Wheat Quality Bulletin covering the current year's crop will not be available for 2006. No quality reports covering the full marketing will be



Administrative Services and Support

Kansas Agricultural Statistics is a collaborative federal-state program. The state portion of their budget for fiscal year 2006 was \$375,757. 71 percent came from the state general fund, 25 percent came from fees and special revenue funds, and 4 percent came from federal funds.

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Administrative Services and Support

published. The wheat quality press release covering the harvest period is available in hard copy and on the Internet at www.nass.usda.gov/ks/.

Agricultural land values at the agricultural statistics district level are a barometer of the health of the regional agricultural economy, which is important to producers, suppliers of inputs, financial institutions and others. The Agricultural Land Values Survey results are used by Kansas State University's department of agricultural economics to compute the use value of agricultural land as required by state statute. The results are available in hard copy and on the Internet at www.nass.usda.gov/ks/. Funding is provided by the Kansas Department of Revenue through the statistics fee fund.

The Farm Facts Bulletin, a summary of each year's statistics, is a historic record widely used by researchers, businesses interested in entering Kansas, suppliers of production inputs and services, and many others. The Farm Facts publication is available only on the Internet at www.nass.usda.gov/ks/.

The Kansas Department of Agricultural statistics division has a cooperative agreement with USDA's Agricultural Marketing Service to fund the collection of agricultural marketing data not funded by the federal service. The data includes feeder cattle price data from sales at livestock auctions in Pratt and Salina. A state-funded market news reporter located at the USDA Agricultural Marketing Service office in Dodge City collects and disseminates price data on hay and sunflower sales statewide. The market news reports funded by the state are available on the USDA website at www.ams.usda.gov, through the Kansas Department of Agriculture website at www.ksda.gov, and on the Kansas Agricultural Statistics website at www.nass.usda.gov/ks/.

2005 Kansas Agricultural Highlights

Overall, 2005 was a good year for livestock producers in Kansas. Prices were above year-ago levels for all months except June, setting new record highs. Cash receipts for all cattle and calves set a new record in 2005. Cattle inventory on January 1 was up 1 percent from last year. The December 1 hog inventory was at its highest level since 1980, with cash receipts becoming the second highest on record. Hog prices were above last year's levels for the first four months, but then dropped below for the remainder of the year. Corn production set another new record in 2005. Soybeans set a new record in acres harvested, thus producing the second largest crop on record. Prices for corn and sorghum were at or below year-ago levels, while wheat and soybean prices took an upward swing the last part of the year. Hay prices were mixed throughout 2005. The value of all farmland and buildings continued their upward trend and was 19 percent above 2004.

Wheat production in 2005 was 380.0 million bushels, 21 percent above 2004's crop of 314.5 million bushels. The yield, at 40 bushels per acre, was up 3 bushels from a year earlier. The acreage harvested for grain, at 9.50 million acres, was up 12 percent from 2004. The 2005 crop averaged 12.3 percent protein, with a test weight of 61.0 pounds per bushel, and 11.2 percent moisture. For the first seven months of the year, wheat prices were below the previous year; however, prices were above year-ago levels for the remainder of 2005. The preliminary marketing year average price, at \$3.30 per bushel, was up 5 cents from 2004 and generated a value of production of **\$1.254 billion**, 23 percent above the previous year. Kansas retained its first place status as the number one wheat state in the nation.

Corn production in Kansas set a new record of 465.8 million bushels, surpassing the 2004 record by 8 percent. The 2005 yield was 135 bushels per acre, 15 bushels below the previous year. Acreage harvested for grain, at 3.45 million, was up 20 percent from 2004. This was the 15th year in a row that corn production exceeded sorghum production. Prices for corn remained below 2004 levels all year long. Based on the preliminary 2005 marketing year average price of \$2.10 per bushel, the value of production for the 2005 corn crop was **\$978.1 million**, 7 percent above the 2004 value. Corn acres harvested for silage decreased from the previous year, falling to 150,000 acres.

Sorghum grain production was 195.0 million bushels in 2005, down 12 percent from 2004's crop of 220.4 million bushels. The yield averaged 75 bushels per acre, down 1 bushel from the previous year. Harvested acreage for grain, at 2.6 million acres, was down 300,000 acres from 2004. Sorghum prices were below 2004 all year except for July. The preliminary 2005 marketing year average price (\$1.62 per bushel) indicated a value of production of **\$316.7 million**, 13 percent below 2004. In 2005, Kansas remained the number one sorghum grain producing state. Sorghum acres harvested for silage were 60,000, down 5,000 acres from 2004.



Agricultural
Highlights



Soybean production was 105.5 million bushels, down 5 percent from the record 2004 crop of 111.1 million bushels, and the second largest production recorded for Kansas. Yield, at 37 bushels per acre, was down 4 bushels from the record yield of 41 bushels set in 2004. Harvested acreage set a new record at 2.85 million acres, surpassing the previous record set in 2000 by 50,000 acres. Soybean prices for year 2005 were below the previous year for the first nine months but then took an upward swing for the remainder of the year. Based on the preliminary marketing year average price of \$5.30 per bushel, the value of production for the 2005 crop was **\$558.9 million**, 7 percent below 2004.

All **hay** production totaled 6.68 million tons, down 15 percent from 2004. Acres harvested, at 2.9 million acres, was down 450,000 acres from the previous year. The preliminary marketing year average price of \$66.50 per ton indicated a value of production for the 2005 crop of **\$423.6 million**, down 13 percent from 2004. Grazing and stock water supplies were generally adequate across the state for 2005. Monthly prices for all hay during 2005 were mixed throughout the year.

All **cattle and calves** on farms and ranches on January 1, 2006, totaled 6.65 million head, up 50,000 head from January 1st, 2005. The 5.46 million head of cattle marketed during 2005 were down 1 percent from the year earlier. Fed cattle marketings in 2005 were 5.28 million head, also down 1 percent from the previous year. Cash receipts from the sale of cattle were at a record high **\$6.09 billion**, up 8 percent from 2004. Cattle prices in 2005 were above year-ago levels for all months, except June, and set new record highs for the State. The 2005 calf crop, at 1.5 million head, was up 1 percent from last year.

The December 1, 2005 **hog** inventory in Kansas was 1.79 million head, 5 percent above the previous year. This was the largest December 1 hog inventory since 1980. Total cash receipts from hogs were **\$400.3 million**, up 6 percent from 2004 but down 4 percent from the record set in 1997 of \$414.8 million. Hog prices rose above year-ago levels the first four months in 2005 but then turned downward for the remainder of the year.

Kansas' 2005 Rank in U.S. Agriculture

Crop or Livestock Item	Rank	% of U.S.
Wheat Flour Milled (34,767,000 cwt.)	1	8.8
Wheat Flour Milling Capacity (144,433 cwt.)	1	9.7
All Wheat Produced (380,000,000 bushels)	1	18.1
Sorghum Grain Produced (195,000,000 bushels)	1	49.5
Cattle Slaughtered (7,321,400 head)	1	22.6
Sorghum Silage Produced (780,000 tons)	2	18.5
Cropland (29.5 million acres)	2	6.8
Prime Farmland (23 million acres)	2	7.0
Cattle and Calves on Farms (6.6 million head)	2	6.8
Cattle and Calves on Grain Feed (2.5 million head)	3	18.0

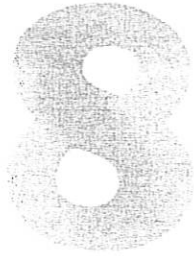
Red Meat Production by Commercial Slaughter Plants (5.8 billion pounds)	3	12.7
Land in Farms (47 million acres)	3	5.1
Commercial Grain Storage Capacity (890 million bushels)	3	10.4
Sunflowers Produced (452 million pounds)	3	11.3
All Hay Produced (6.8 million tons)	5	4.4
Cash Receipts from Farm Marketings (\$9.9 billion)	5	4.2
All Hay Produced, Excluding Alfalfa (3.2 million tons)	6	4.4
Irrigated Acres (2.6 million acres)	6	4.8
All Summer Potatoes Produced (1.8 million cwt.)	6	10.2
Exports of Farm Products, FY 2005 (\$2.7 billion)	7	4.4
Corn Grain Produced (465 million bushels)	7	4.2
Alfalfa Hay Produced (3.4 million tons)	8	4.5
Hogs on Farms (1.7 million head)	9	2.9
Soybeans Produced (105 million bushels)	10	3.4
Market Sheep and Lambs (35,000 head)	10	2.2
Dry Edible Beans Produced (275,000 cwt.)	13	1.0
Oats Produced (2.3 million bushels)	13	2.1
Corn Silage Produced (2.4 million tons)	14	2.3
Upland Cotton Produced (87,700 bales)	17	0.4
Milk Produced (2.2 billion pounds)	18	1.3
All Sheep and Lambs on Farms (95,000 head)	18	1.5
Meat and Other Goats (23,000 head)	19	1.0
Barley Produced (588,000 bushels)	22	0.3
Milk Goats (3,410 head)	24	1.2

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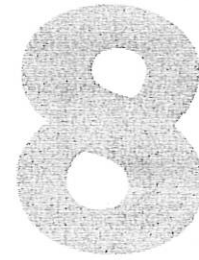
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