

Approved: 2-19-08
Date

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on January 29, 2008 in Room 423-S of the Capitol.

All members were present.

Committee staff present:

Emalene Correll, Kansas Legislative Research Department
Jason Thompson, Office of Revisor of Statutes
Matt Todd, Office of Revisor of Statutes
Judy Seitz, Committee Assistant

Conferees appearing before the Committee:

Mike Brown, Vice-Chairman, Kansas Wheat Commission
Kenlon Johannes, Administrator, Kansas Soybean Commission
Bob Timmons, Chairman, Kansas Corn Commission

Others attending:

See attached list.

There were no bill introductions.

Mike Brown, Vice-Chairman, Kansas Wheat Commission, gave the annual report (Attachment 1). The Commission was established in 1957 to represent the states' wheat producers in the areas of research, domestic marketing, international marketing, education, and communication. The Commission is a nine member producer board - seven elected and two appointed by the sitting board. The 2007 crop of 288 million bushels marked the second consecutive year of below average wheat production. A 10 mill per bushel assessment or one penny per bushel provides the funding for the Commission's programs and activities.

Mr. Brown took questions from the Committee.

Kenlon Johannes, Administrator, Kansas Soybean Commission, reported on the activities of the Commission (Attachment 2). The Kansas Soybean Commission is part of a federal checkoff program. The Commission collects one-half of one percent of the net value of a soybean sale of a producer collected by the first purchaser in the state. One-half of the funds are sent to the United Soybean Board (USB) for national and international projects. Nine soybean farmers volunteer their time to serve on the Soybean Commission. He reviewed the FY 2008 marketing plan and budget. He also reviewed the research projects funded as of October 1, 2007. He noted an innovative research project which deals with biodiesel glycerin based hydrogen production for electrical generation from a hydrogen internal combustion engine. Information was provided on where to purchase biodiesel fuel in bulk and retail. The Commission is working with Kansas pork producers and USB and pork check off to educate Kansans to understand the importance of the livestock industry. It provides income for those who raise the livestock, but also provides a tax base that builds schools, bridges and roads. The Commission is working with the Agriculture Marketing Division, Kansas Department of Commerce, on the possibility of shipping Kansas soybeans to China.

Mr. Johannes stood for questions.

Bob Timmons, Chairman, Kansas Corn Commission, gave the annual legislative report and the financial audit report for June 30, 2007 and 2006 (Attachment 3). Kansas farmers harvested 528 million bushels of corn, up 50 percent from 2006. Use in livestock feed remains the largest market for corn. The Commission works to increase the use of ethanol in Kansas.

Mr. Timmons offered to stand for questions

The Grain Sorghum Commission submitted a written copy of their 2008 Annual Report (Attachment 4).

A written copy of the Grain Commodity Commissions election update was distributed to the Committee (Attachment 5).

Meeting adjourned.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: January 29, 2008

NAME	REPRESENTING
David Kadenberg	wheat producer, Claflin
Doug Heesling	Kansas wheat
Mike Brown	KANSAS Wheat Commission
Dusti Fritz	Kansas Wheat
Leslie Kaufman	Ks Co-op Council
Eric Wisner	KOA
Dana Peterson	KAWG & KWC
Bob Timmons	KS Corn Commission
Kenton Johannes	KS Soybean Commission
Su Schalk	KS Corn Commission
Ann Judman	Ks. Corn. Comm.
Jean White	KS Corn Commission
Gabrielle Buckaby	Sen. Dennis Pyle
Effie Swanson	Sen. Derek Schmidt
JEAN MILLED	CAPITOL STRATEGIES
BRAD HARRISON	KFB



Leaders in the adoption of profitable innovations for wheat

**Kansas Wheat Commission Annual Report
Presented to Senate Committee on Agriculture
Tuesday, January 29, 2008
By Mike Brown, Vice-Chairman of the Kansas Wheat Commission**

Chairman Taddiken and committee members, thank you for the opportunity to provide you an annual report from the Kansas Wheat Commission. My name is Mike Brown, a wheat producer from Colby, KS and Vice-Chairman of the Commission.

The Kansas Wheat Commission was established by the Kansas legislature in 1957 to represent the states' wheat producers in the areas of research, domestic marketing, international marketing, and education and communication. After 50 years, these areas of work are still needed to enhance our industry.

A 9-member producer board governs the Commission — 7 elected and 2 appointed by the sitting board. A 10 mill per bushel assessment or one penny per bushel, currently funds Commission programs & activities. State statute authorizes the collection of this assessment at the first point of sale and producers have the opportunity to request a refund.

The income of the Kansas Wheat Commission is heavily correlated to the size of the wheat crop. The 2007 crop of 288 million bushels marked the second consecutive year of below average wheat production. The 2006 crop was slightly higher at 291 million bushel. The state average has been approximately 340 million bushels. On average, the Commission collects an assessment on about 94% of the crop each year, which for FY 2007 is \$2.6 million dollars. Since our assessment is voluntary, producers do have the ability to ask for their investment back and in 2007 we returned nearly \$170,000 dollars. Our refund rate has been steady at 7% for the past 5 years. The Kansas Wheat Commission does conduct an annual audit of our financial situation.

We have provided a detailed annual report of all of our activities. This morning, I would like to highlight a just a few of these projects. The breakdown of how the Commission spends producer dollars is as follows: domestic marketing – 28%; international marketing – 41%; research – 31%; our mandate of education and communication is included in each of these areas. Staff and facility support for each area is included in these percentages and totals 15% of our funding.

With the adoption of a new strategic plan 2 years ago, our project focus is providing profitable innovations for wheat producers. Innovation exemplifies why wheat producers must remain engaged in research and development. We continue to partner with Kansas State University for wheat varietal development and to sequence the wheat genome. Over the past few years the International Wheat Genome Sequencing Consortium has secured over \$7 million dollars for pivotal research projects in the United States and all around the world. A sequenced wheat genome will assist scientist in understanding the wheat plant and allow for the acceleration of much needed traits to be incorporated into the commercial wheat varieties that producers plant.

Biotechnology remains a top priority for our industry and we continually educate and inform wheat buyers around the world about the potential benefits of technology to everyone in the marketing chain. We believe that the global atmosphere for transgenic wheat is changing. Our key wheat buyers identify with the advantages for the American wheat producer and they are now asking "when" not "if"

KANSAS WHEAT COMMISSION

217 Southwind Place / Manhattan, KS 66503 / 785.539.0255 / Fax 785.539.8946 / www.KansasWheat.org

*Senate Agriculture Committee
1-29-08
Attachment 1*

we might introduce a transgenic trait into wheat. Just imagine the impact to our state if we can incorporate a drought tolerance or Wheat Streak Mosaic Virus resistance in our wheat varieties.

Last year, we reported to you that the Commission led the effort to establish a task force of seed companies, producers, research scientists and technology providers to look into the possibility of designing a new mechanism in which wheat varieties would be released. We are happy to report that this taskforce has resulted in the establishment of the Kansas Wheat Alliance. KWA has incorporated and organized with founding members. The board has been formed and it is now drafting the compliance agreement with technology providers and seed producers to begin incorporating proprietary traits into our public genetics.

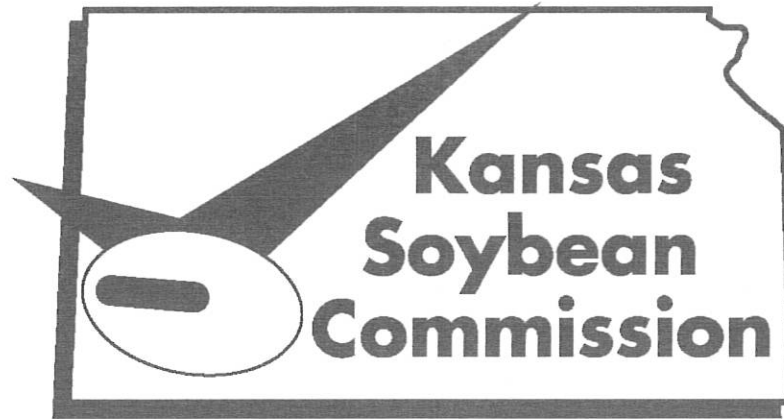
The international market for wheat continues to be extremely competitive especially with the recent spike in wheat prices. No one could have anticipated the severe price reaction that we have witnessed to the extremely tight world wheat supplies. Nor did anyone anticipate the strong international demand for Hard Red Winter wheat. Kansas hosted wheat buyers from key markets such as Nigeria, Egypt, South Africa, Kenya, Tunisia, and Iraq. Wheat quality and price are typically the buyers' main points of interest. Nigeria was once again the top market for Hard Red Winter wheat with purchases of 69.2 million bushels. Year-in and year-out, the U.S. enjoys 95% market share in Nigeria, and this is largely due to our commitment to continually improve trade relations with this large and consistent customer. Mexico, Japan, Iraq, and Taiwan are the markets that conclude the top 5 buyers of HRW wheat.

Our domestic marketing efforts have continued to focus on recognizing the value of whole grains in the diet. Much of this work is accomplished through the industry-wide organization, the Wheat Foods Council, who recently celebrated its 35th anniversary. Since 1972, the Kansas Wheat Commission has assumed leadership roles in this national organization, whose mission is to increase wheat and other grain foods consumption through nutrition information, education, research and promotional programs. The Wheat Foods Council is the only national organization that represents the entire wheat industry – producers, millers, manufacturers, bakers and nutrition educators.

One new marketing project that we completed in FY 2007 is our *Kansas Gold* book. This commemorates the 50th Anniversary of the Commission by offering a decade-by-decade review of the first half-century of the Kansas Wheat Commission. Each chapter reviews the decade's historical trends and happenings within the wheat industry and provides snapshots of Kansas wheat producers. Heritage wheat recipes are featured, recounting the diet fads and nutrition trends from each decade. *Kansas Gold* is available for sale at several retail locations across the state for \$30. Industry partners provided sponsorships to the Commission to cover 100% of the production costs of this book.

One new area that we have begun working in is the emerging industry of cellulosic ethanol. The Commission is currently funding research at Kansas State University that is looking at more effective and efficient conversion of wheat straw into cellulosic ethanol. We are also working with the Kansas Association of Wheat Growers in developing a decision tool for producers to evaluate the economics and sustainability of removing residue from their cropland to participate in this emerging market. KAWG has secured funding from the Kansas Department of Commerce and Housing and the Natural Resources Conservation Service to develop this decision-based tool.

Mr. Chairman and committee members, the Kansas Wheat Commission continues to work diligently on behalf of wheat producers in the areas of research, domestic and international market development, communication and education. This concludes my report. Thank you once again for this opportunity to visit with you today, and I'd be glad to answer any questions the committee may have.



*The Soybean Checkoff...
It Works For Everyone!*

Report to the Kansas Legislature

January 29, 2008

*Senate Agriculture Committee
1-29-08
Attachment 2*

Kansas Soybean Commission
January 29, 2008
Report to the Kansas Legislature

Chairman Taddiken and members of the Kansas Senate Agriculture Committee, my name is Kenlon Johannes; I am the Administrator of the Kansas Soybean Commission.

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

The materials we included in the handouts provide some detail on the programs and projects we are funding in FY2008.

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

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

Our state's international market development effort, separate from USB's extensive program, is done through the International Grains Program at Kansas State University. Projects such as promoting Kansas-grown soybeans overseas or hosting trade teams to expand the foreign markets for value-added products are within this program area. This year we have been working with the Kansas Department of Commerce, Ag Marketing Division to sell containerized Kansas soybeans to a food and feed manufacturing company in our state's sister state, Henan Province in China

Our consumer education program includes promoting the acceptance of new uses for soybeans such as biodiesel, and educating the public on the ease of preparing healthful foods with soy. The consumer information category is also responsible for our school education programs. Since 94% of all soybean meal produced in the US is consumed by animal agriculture we have been working closely with those commodity organizations, especially pork producers, to educate Kansans on the importance of Animal Ag to the Kansas and US economy.

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

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

As stated earlier, one-half of the soybean checkoff collection goes to the United Soybean Board. This 64 member, farmer run board, allocates our national share along with those of 25 other soybean producing states. The Kansas Soybean Commission has three representatives on USB. USB funds international market development, production and utilization research, consumer information programs, including assisting the National Biodiesel Board in its efforts to commercialize biodiesel, and producer communication projects.

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

Thank you.

Kenlon Johannes
Topeka, Kansas

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

**Kansas Soybean Commission
FY2008 Marketing Plan**

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

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

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

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

1. Kansas State University research and outreach:
 - Management Options for Stem Borer
 - Soybean Aphid Management
 - Genetic Engineering of the Soybean
 - Germplasm Development of the Soybean
 - Soybean Marketing Research and Education Support
 - Soybean Export Trade Enhancement Program
 - Manganese Nutrition for Soybean Production
 - Potassium Deficiency Studies
 - Latex Adhesives from Soybean Meal
 - Feeding Glycerin to Cattle
 - Bio-Energy from Soybean Hulls
 - Extension Outreach and Applied Research
 - Feeding Soybean Oil and Meal to Pork
2. Pittsburg State University research on:
 - Seed Treatment of Soil Born Diseases

3. North Central Soybean Research Program
4. Hydrogen from Glycerin for use in Hydrogen Engine
5. Greenbush and Ag in the Classroom School Education Programs
6. FFA program support
7. FACS grant program
8. Consumer Awareness Media Program
9. Biodiesel Advertising
 - Kansas State Football Network
 - Others to be determined
10. National Biodiesel Board, Membership and State Regulatory Project
11. USB Funded BBC Program
12. Producer Radio and Print Outreach
 - WIBW radio
 - KRVN radio
 - KKOW radio
 - KFEQ radio
 - KFRM radio
 - Soynotes* newsletter
 - Straight Rows* newsletter advertising
 - Farm Talk* magazine
 - Others to be determined
13. Kansas Soybean Expo
14. No-till education including No-till On the Plains organization
15. Field Days, Farm/ Trade Shows, Crop Tours
16. Kansas State University International Grains Program
17. WISHH Program
18. USSEC Latin American, Chinese and Taiwanese Trade Teams
20. Collection, meeting, administration and audit procedures
21. Program and administrative work by the Kansas Soybean Association
(Attached projects including budgets for contracted and direct spending)

FY2008 Kansas Soybean Commissioners

Districts I-II-III	Kurt Maurath 420 Elm Avenue Oakley, KS 67748 (785) 672-3750	District IV	Steve Clanton 721 Kiowa Minneapolis, KS 67467 (785) 392-2527
District V	Harold G. Kraus 977 Chetolah Gold Rd. Hays, KS 67601 (785) 625-6488	District VI	Jerry Wyse 8403 Mayfield Rd. Haven, KS 67543-8093 (620) 465-2245
District VII	Jim Zwonitzer (Secretary) 10789 Cheyenne Road Horton, KS 66439 (785) 872-3165	District VIII	Robert Haselwood 2130 SE 61 st Street Berryton, KS 66409 (785) 862-1048
District IX	Ron Westervelt (Vice-Chairman) 4851 NW Bethlehem Road Columbus, KS 66725 (620) 674-3301	At-Large	Ron Ohlde (Chairman) 1579 4th Road Palmer, KS 66962 (785) 692-4322
At-Large	Jerry Jeschke (Treasurer) 1584 Willow Road Robinson, KS 66532 (785) 765-3623	United Soybean Board Representatives: John Wray, Ottawa Robert Haselwood, Berryton Bill Wiley, Lyndon	

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Kansas Soybean Commission						
November 30-December 1, 2006 Meeting						
FY2008 Proposal Actions						
revised December 1, 2006						
					Amount	Amount
Title	Investigator			Requested	Funded	
#1 Germplasm Improvement	Schapaugh			\$228,882	\$220,000	
#2 Soybean Aphid	Reese			\$43,931	\$30,000	
#3 Soil Borne Diseases	Brooker			\$35,700	\$35,700	
#4 Stem Borer	Bushman			\$34,064	\$30,000	
#5 Genetic Engineering	Trick			\$57,001	\$50,000	
#6 Manganese Nutrition	Gordon			\$7,800	\$7,800	
#7 NCSRP	Wright			\$80,000	\$50,000	
#8 Variable Rate Application	Wolf	dropped			\$0	
#9 Potassium Deficiency	Mengel			\$7,500	\$7,500	
#10 Screening Heat Tolerance	Prasad			\$15,000	\$0	
#11 Glyphosate Stewardship	Peterson			\$7,550	\$0	
#12 IGP	Howard			\$50,000	\$50,000	
#13 Trade Enhancement	Woolverton			\$11,225	\$11,225	
#14 USSEC Latin Am Tech	Babb			\$20,000	\$10,000	
#15 USSEC Aquaculture	Babb			\$20,000	\$0	
#16 USSEC China	Babb			\$20,000	\$10,000	
#17 USSEC Taiwan	Babb			\$20,000	\$20,000	
#18 AIB Scholarships	O'Donnell			\$7,700	\$0	
#19 Glycerin Fuel	Ayres			\$48,000	\$42,000	
#20 Adhesives from Meal	Sun			\$46,332	\$24,000	
#21 Extruded Protein	Shi			\$37,433	\$0	
#22 Feeding Glycerol	Drouillard			\$52,000	\$50,000	
#23 SBO & Meal on Pork	Goodband			\$50,460	\$24,576	
#24 Hulls for Bioenergy	Alavi			\$34,215	\$34,215	
#25 No-Till on the Plains	Lindley			\$15,000	\$10,000	
#26 Ag in the Classroom	Oplinger			\$25,000	\$15,000	
#27 Greenbush	Grasso			\$20,000	\$20,000	
#28 Marketing Research	Schurle			\$7,740	\$5,000	
#29 Ext. Applied Research	Roozeboom			\$6,800	\$5,000	
#30 KSC/KSA State Programs				\$657,100	\$637,100	
				\$1,666,433	\$1,399,116	

Kansas Soybean Commission						
FY 2008 State Projects Budget						
Approved 12-01-2006						
				Project costs		
KSA Number	Project name		KSA Contract	KSC Direct	Total	KSC Number
111	International Market Development*		\$1,000	\$8,000	\$9,000	1000's
211	Research Program		\$2,000	\$1,000	\$3,000	2000's
311	Consumer Edible Implementation		\$800	\$1,250	\$2,050	3300
321	Consumer Trade Shows (Edible)		\$100	\$500	\$600	3010
323	Collateral Material		\$2,500	\$11,000	\$13,500	3020
326	Youth Education Program		\$5,000	\$12,000	\$17,000	3140-50-60
327	Consumer Awareness Media Program		\$0	\$18,000	\$18,000	3211
328	FACS Program		\$1,000	\$5,000	\$6,000	3170
351	Biodiesel Development*		\$15,000	\$34,500	\$49,500	3500's
355	Biodiesel Consumer Advertising		\$0	\$7,500	\$7,500	3501
361	Industrial Market Development		\$500	\$3,000	\$3,500	3600-3
411	Public Relations		\$8,000	\$500	\$8,500	4200
421	First Purchaser Relations		\$2,000	\$5,000	\$7,000	41-42-4400
431	Economic Development		\$2,000	\$500	\$2,500	4200
441	National State Regional Coordination		\$8,000	\$4,000	\$12,000	4300
442	BBC Project Management		\$0	\$0	\$0	3500's
511	Producer Programs Implementation		\$1,000	\$2,500	\$3,500	5100
521	Soy Notes		\$0	\$11,000	\$11,000	5200
531	Field Days & Crop Tours		\$3,500	\$4,000	\$7,500	5300
535	Yield Contest		\$250	\$3,000	\$3,250	5350
541	Leadership Development		\$10,000	\$3,500	\$13,500	5400
551	Expo		\$3,500	\$15,000	\$18,500	5500
561	Farm Trade Shows		\$3,500	\$11,000	\$14,500	5300
571	Producer Media Outreach		\$0	\$32,000	\$32,000	5600
611	Checkoff Administration		\$2,500	\$49,000	\$51,500	6000's
821	Staff and Overhead	\$358,000 X 90%	\$322,200	\$0	\$322,200	
Totals			\$394,350	\$242,750	\$637,100	
	*Includes WISHH & NBB funding					\$637,100
		\$6,000 & \$15,000				

Soybean Checkoff Research Database: Projects Being Funded on October 1, 2007

Kansas Soybean Commission

Development of Soybean Host Plant Resistance and Other Management Options for the Soybean Stem Borer; *Lawrent Buschman, C. Michael Smith, Phillip E. Sloderbeck, William Schapaugh and Harold Trick (Entomology, Agronomy and Plant Pathology Departments, Southwest Area Extension Office, SW Research/Extension Center, KSU Extension Offices, Kansas State University); (\$30,000).*

The researchers will: 1) continue screening soybean germplasm accessions for resistance to soybean stem borer; 2) evaluate the yield response of different soybean varieties to soybean stem borer feeding systemic insecticides; 3) conduct a survey of the occurrence of soybean stem borer across the High Plains and Midwest to determine if the problem is widespread enough to encourage registration of insecticides against this pest; and 4) expand web pages and other educational materials associated with soybean insect pests.

Soybean Variety and Germplasm Improvement; *William Schapaugh, Timothy Todd, Harold Trick and Jim Long (Agronomy and Plant Pathology Departments, Kansas State University and Southeast Research Center, Kansas State University); (\$220,000).*

The soybean breeding project will develop high yielding, multiple pest resistant varieties for full-season and double crop production, including varieties resistant to Roundup (RR) and sulfonylurea (STS) herbicides; special purpose varieties for use in food, feed or industrial products; germplasm with specific disease and insect resistance, and lines with improved oil quality. The researchers will improve selection efficiency in breeding for soybean cyst nematode (SCN) and other traits. They will also continue to improve charcoal rot and SCN management recommendations.

Enhancement of Soybean through Genetic Engineering; *Harold Trick, William Schapaugh and Tim Todd (Departments of Plant Pathology and Agronomy, Kansas State University); (\$50,000).*

This project will continue to produce and evaluate genetically engineered soybeans for increased fungal resistance. Use gene silencing (RNAi) to enhance Soybean Cyst Nematode (SCN) resistance in transgenic soybean. Produce phenylalanine-free corn protein in transgenic soybean to produce a nutraceutical (value added) trait that may open new markets for Kansas' soybeans.

Integrated Pest Management of the Soybean Aphid in Kansas; *John C. Reese, C. Michael Smith, William T. Schapaugh Jr., Phillip E. Sloderbeck and Jeff Whitworth (Departments of Entomology, Agronomy and Extension, Kansas State University); (\$30,000).*

The project will: 1) screen germplasm accessions, especially public lines currently part of the K-State soybean breeding program, for sources of resistance to the soybean aphid; 2) conduct experiments to identify the category or categories of resistance in selected lines; 3) determine in more detail the behavioral components of resistance of selected lines using the electrical penetration graph or EPG; 4) identify molecular markers linked to aphid resistance genes in soybeans, in order to accurately map these genes and 5) improve the understanding of soybean aphid biology, over wintering potential, and impact on yield and use this information to update educational efforts.

Evaluation of Modified Plant Compounds For Seed Treatment Protection Against Soil Borne Diseases of Soybeans; *Nancy Brooker (Department of Biology, Pittsburg State University); (\$35,700).*

The objective of this study is to evaluate several chemically modified plant products as seed treatments against several important root rot and root infecting fungal diseases. Previous years studies with new modified plant compounds have produced positive results. These compounds will be assessed in growth chambers and greenhouses to insure no phytotoxic effects are present and determine which compounds would be of greatest interest for future field testing. In addition, we are interested in elucidating these new compounds' mechanism of action, expanding their targeted antifungal range and enhancing these compounds' antifungal activity and thus their commercial appeal.

Grain Marketing Research and Education in Support of Kansas Soybean Producers; *Brian Schurle and James Mintert (Department of Ag Economics, Kansas State University); (\$5,000).*

This project involves developing a comprehensive grain and oilseed marketing education program for Kansas crop producers by: 1) maintaining a full-time position dedicated exclusively to grain and oilseed marketing research and extension; 2) conduct grain and oilseed price outlook price and marketing extension program and 3) conduct research on current marketing issues facing the Kansas grain and oilseed industries.

Biodiesel Glycerin Based Hydrogen Production for Electrical Generation from a Hydrogen Internal Combustion Engine; *William Ayres (Renewable Solutions, LLC); (\$42,000).*

The objective of this project is to test hydrogen from glycerin from biodiesel production for hydrogen gas powered internal combustion engines by: 1) producing hydrogen using a high temperature fuel reformer to convert crude glycerin into a combustible gas stream which contains hydrogen; 2) operating an engine generator on the crude glycerin gas and 3) installing and operating an engine on crude glycerin hydrogen rich gas in a biodiesel production facility.

Manganese Nutrition of Glyphosate-Resistant and Conventional Soybean; *Barney Gordon, Stu Duncan, and Nathan Nelson (Department of Agronomy & Northeast Area Extension Office, Kansas State University); (\$7,800)*

The objectives will be to determine if glyphosate-resistant soybeans respond differently to applied manganese than conventional soybeans and if so to develop yield fertilization strategies that will prevent or correct deficiencies leading to improved yield for Kansas Soybean Producers and to determine critical levels of tissue and soil manganese in order to better predict situations in which manganese response can be expected.

Correction of Potassium Deficiency in No-till and Strip-till Soybean Production; *David B. Mengel (Department of Agronomy, Kansas State University); (\$7,500)*

The objectives of this study are to: 1) determine if the observed K deficiencies seen in soybeans under no-till and strip-till in the region are impacting soybeans; 2) if deficiencies seen are reducing yields, determine if they can be corrected through the additions of starter fertilizer where the soil test level is above the critical level; 3) determine if broadcast applications of K or combinations of band and broadcast applications will correct the observed deficiencies when soil test levels are below the current critical level and 4) if the problem cannot be corrected with current practices, determine if deep banding under the row and/or building soil test levels will correct the problem.

Soy Latex Like Adhesives for Glass and Ceramic Consumer Products Labeling; *Xiuzhi Susan Sun (Department of Grain Science & Industry, Kansas State University); (\$49,740)*

The objective is to develop a viable technology that can increase new uses of soybean meal by developing latex like adhesives from soybean meal for labeling applications. Initial applications will include glass and ceramic based consumer products analyzing tackiness, curing conditions, adhesion performance, removal characteristics, processing cost and process transferability.

Value Added Uses for Soy-based Biodiesel Byproducts in Feedlot Cattle; *Jim Drouillard, (Department of Animal Sciences & Industry, Kansas State University); (\$50,000)*

The objectives are: 1) improve the value of soy-based biodiesel byproducts by identifying value-added uses in feedlot cattle production; 2) further define the ability of glycerol to enhance digestion in cattle; 3) determine dietary levels of glycerol that optimize feedlot cattle performance; 4) determine if feeding glycerol can improve carcass quality in feedlot cattle and 5) determine if glycerol can be used as a grain conditioning aid in commercial feedlots to reduce energy expended during grain processing.

Effects of Corn, Grain Sorghum, and Soybean Oil and Meal on Pork Quality; *Robert Goodband, Joel DeRouche, Jim Nelssen, and Mike Tokach (Department of Animal Sciences, Kansas State University); (\$24,576)*

The objective of this project is to determine the effects of corn, corn distiller's dried grains with solubles, grain sorghum, extruded-expelled soybean meal, and soy oil on the growth performance and fatty acid composition of pork, resulting in the ability to recommend management strategies to pork producers allowing them to use products with vegetable oils and still meet the pork processors requirements for firmness (iodine value) of the pork fat.

Investigation of Soybean Hull as a Value-added Feedstock for Bioenergy and Biomaterials; *Sajid Alavi, Buddhi Lamsal, Ron Madl, and Jon Faubion (Department of Grain Science and Industry, Kansas State University); (\$34,215)*

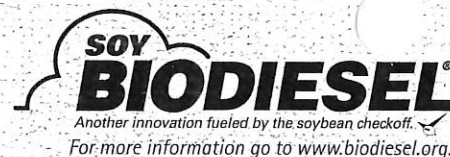
The objectives are to investigate: 1) and compare the efficacy of three mechanical processes, namely, sized-reduction, extrusion and one proprietary milling technology, as pretreatment methods for soybean hull to enable complex sugar recovery from lignocellulosic materials; 2) the feasibility of complex sugar recovery from mechanically pre-treated soybean hull by action of a combination of cellulosic enzymes and 3) the chemical composition, including phenolics, of the soybean hulls and evaluate the antioxidant capacity of the hull extracts for varieties predominately grown in Kansas.

Extension and Applied Research for Kansas Soybean Producers; *Kraig Roozeboom (Department of Agronomy, Kansas State University); (\$5,000)*

The objectives are to: 1) effectively educate producers, crop advisors, and other agri-business professionals about the latest developments in best management practices for soybean production and soybean cropping systems; 2) find research-based answers to specific soybean production and soybean cropping system questions as they arise and 3) maintain and expand personal soybean production and educational expertise.

North Central Soybean Research Program; *(\$50,000).*

Soy Biodiesel FAQs



Q1: What percentage of soy biodiesel can I use?

A: Blends as high as B20 can be used in diesel engines with no modification. Due to the cleansing effect of biodiesel over time, blends higher than B20 may require minor modification to seals, gaskets and other parts, more so in engines made in 1994 or earlier. Tank and fuel line filter heaters are recommended for blends higher than B20.

Q2: Will using soy biodiesel void my engine's warranty?

A: All diesel engine companies warranty the product they make – engines. They warranty their engines for "materials and workmanship." If there is a problem with an engine part or with engine operation due to an error in manufacturing or assembly within the prescribed warranty period, the problem will be covered by the engine company. Typically, an engine company will define what fuel the engine was designed for and will recommend the use of that fuel to their customers in their owner's manuals. Engine companies do not manufacture fuel or fuel components. Therefore, engine companies do not warrantee fuel – whether that fuel is biodiesel or petrodiesel fuel. Since engine manufacturers warrantee the materials and workmanship of their engines, they do not warrantee fuel of any kind. If there are engine problems caused by a fuel (again, whether that fuel is petrodiesel fuel or biodiesel fuel) these problems are not related to the materials or workmanship of the engine, but are the responsibility of the fuel supplier and not the engine manufacturer. Any reputable fuel supplier (biodiesel, petrodiesel or a blend of both) should stand behind its products and cover any fuel-quality problems if they occur.

Q3: How do I make soy biodiesel on my farm?

A: The soybean checkoff funded soy biodiesel quality research and the lengthy effort to achieve an American Society of Testing & Materials (ASTM) Standard for biodiesel (ASTM 6751). Fuels processed without strong quality controls have a higher probability of not meeting the ASTM standard. Fuel that doesn't meet the ASTM standard could reverse the many strides soybean farmers have made through our checkoff efforts to help ensure only high-quality soy biodiesel reaches the market. Rather than attempting to make biodiesel, many soybean farmers have shown additional support of soy biodiesel by investing in and helping to manage soy biodiesel manufacturing plants that produce soy biodiesel that meets the ASTM standard.

Q4: How will soy biodiesel affect my engine's mileage and performance?

A: Biodiesel has a higher cetane number than petroleum diesel. A diesel fuel's cetane number measures the combustion quality of the fuel. Biodiesel has shown horsepower, torque and haulage rates similar to those of conventional diesel fuel. However, B20 may possess 1 percent to 2 percent fewer BTU per gallon than #2 diesel. The BTU differences for blends of B5 and lower are virtually immeasurable. Biodiesel blends have superior lubricity compared with straight petroleum, resulting in cleaner engines, less maintenance and longer engine life.

Q5: How will soy biodiesel handle in the winter?

A: Biodiesel will gel in very cold temperatures, just as #2 diesels will. Although pure biodiesel has a higher cloud point than #2 diesel fuel, typical blends of 20 percent biodiesel are managed with the same fuel-management techniques as #2 diesel. Some of these fuel-management systems include kerosene blending, block and filter heaters and indoor garaging of vehicles where possible. Biodiesel blends of B5 and less have minor impacts on cold flow.



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

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Q6: How can I tell if the biodiesel I receive is good quality?

A: Ask your supplier to only provide biodiesel in the biodiesel blend that meets ASTM D 6751. Your supplier can verify this by asking for a certificate of analysis on the B100 they purchase. You can also purchase your fuel from a BQ-9000 Certified Marketer. The biodiesel industry has developed a voluntary quality-control program for manufacturers and distributors called BQ-9000. It helps ensure that biodiesel is produced according to the ASTM specifications and contamination or degradation does not occur during distribution, storage or blending. The "Certified Marketer" designation is for businesses that commercially undertake to sell or resell biodiesel fuels. A biodiesel marketer that successfully meets the accreditation criteria is awarded this status.

Q7: Will soy biodiesel cause algae to grow in my diesel fuel tank?

A: Certain varieties of algae and fungi can grow in fuel tanks at the same level of frequency in diesel fuel or biodiesel blends. Growth occurs at the interface of fuel and water on the bottom of the fuel tank. To prevent this from occurring, water must be drained from the tank bottom on a regular basis. Biocides are available to deal with microbe growth; however, dead microbes can still plug filters, so water removal is the preferred treatment.

Q8: Is biodiesel storage the same as petroleum diesel storage?

A: The standard storage and handling procedures used for petroleum diesel can be used for biodiesel. Biodiesel blends should be stored in a clean, dry, dark environment and should be used within six months. Acceptable storage tank materials include aluminum, steel, fluorinated polyethylene, fluorinated polypropylene and Teflon. It is not advisable to store biodiesel in copper, brass, lead, tin or zinc containers.

Q9: What effect will the new Environmental Protection Agency (EPA) "ultra-low-sulfur diesel" regulation have on diesel engines?

A: Sulfur is a known air pollutant. In an effort to reduce air pollution, the EPA has developed and is beginning to implement new standards for diesel fuel. Petroleum refiners must produce clean ultra-low-sulfur diesel fuel – diesel fuel with a sulfur level that is at or below 15 parts per million (ppm) – for use in highway diesel engines. Low-sulfur (500 ppm) diesel fuel for nonroad diesel engines will be required in 2007, followed by ultra-low-sulfur diesel fuel for these machines in 2010, and for locomotives and marine engines in 2012. The refining process removing sulfur also removes vital lubricity in diesel fuel. Even just a B2 (2 percent soy biodiesel blended with 98 percent petroleum diesel) blend has been shown to increase fuel lubricity by up to 66 percent in low sulfur diesel.

Q10: Does biodiesel cost more?

A: Generally, soy biodiesel blends cost an extra cent per percentage of biodiesel in the blend. However, the federal tax incentive provides a cent per percentage of biodiesel tax credit, which should make the price per gallon for petroleum diesel and biodiesel competitive. If you notice that prices for biodiesel blends tend to be higher, consult your fuel supplier and make sure he or she is aware of the federal tax incentive.

Sources: 1 <http://www.biodiesel.org/>. National Biodiesel Board, September 18, 2006.
2 <http://www.epa.gov/>. U.S. Environmental Protection Agency, September 18, 2006.
3 <http://www.consumerreports.org/cro/index.htm>. Consumer Union of U.S., Inc. June, 2006.
4 www.energy.state.md.us/programs/transportation/biodiesel/presentations/van_gerpen.pdf - Jon H. Van Gerpen. April 20, 2005.

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SPECIFICATION FOR BIODIESEL (B100) – ASTM D6751-07b

March 2007

Biodiesel is defined as the mono alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, for use in compression-ignition (diesel) engines. This specification is for pure (100%) biodiesel prior to use or blending with diesel fuel. #

Property	ASTM Method	Limits	Units
Calcium & Magnesium, combined	EN 14538	5 max	ppm (ug/g)
Flash Point (closed cup)	D 93	93 min.	Degrees C
Alcohol Control (One of the following must be met)			
1. Methanol Content	EN14110	0.2 Max	% volume
2. Flash Point	D93	130 Min	Degrees C
Water & Sediment	D 2709	0.05 max.	% vol.
Kinematic Viscosity, 40 C	D 445	1.9 - 6.0	mm ² /sec.
Sulfated Ash	D 874	0.02 max.	% mass
Sulfur			
S 15 Grade	D 5453	0.0015 max. (15)	% mass (ppm)
S 500 Grade	D 5453	0.05 max. (500)	% mass (ppm)
Copper Strip Corrosion	D 130	No. 3 max.	
Cetane	D 613	47 min.	
Cloud Point	D 2500	Report	Degrees C
Carbon Residue 100% sample	D 4530*	0.05 max.	% mass
Acid Number	D 664	0.50 max.	mg KOH/g
Free Glycerin	D 6584	0.020 max.	% mass
Total Glycerin	D 6584	0.240 max.	% mass
Phosphorus Content	D 4951	0.001 max.	% mass
Distillation, T90 AET	D 1160	360 max.	Degrees C
Sodium/Potassium, combined	EN 14538	5 max	ppm
Oxidation Stability	EN 14112	3 min	hours
Workmanship	Free of undissolved water, sediment, & suspended matter		
BOLD = BQ-9000 Critical Specification Testing Once Production Process Under Control			

* The carbon residue shall be run on the 100% sample.

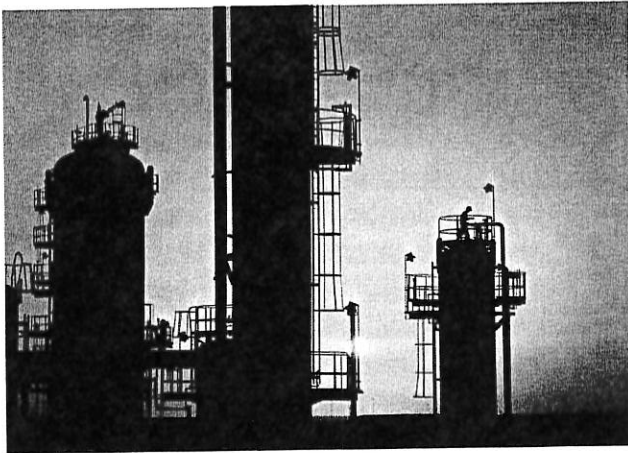
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SPECIFICATION FOR
BIODIESEL (B100) – ASTM D6751-07b

- # A considerable amount of experience exists in the US with a 20% blend of biodiesel with 80% diesel fuel (B20). Although biodiesel (B100) can be used, blends of over 20% biodiesel with diesel fuel should be evaluated on a case-by-case basis until further experience is available.

BIODIESEL

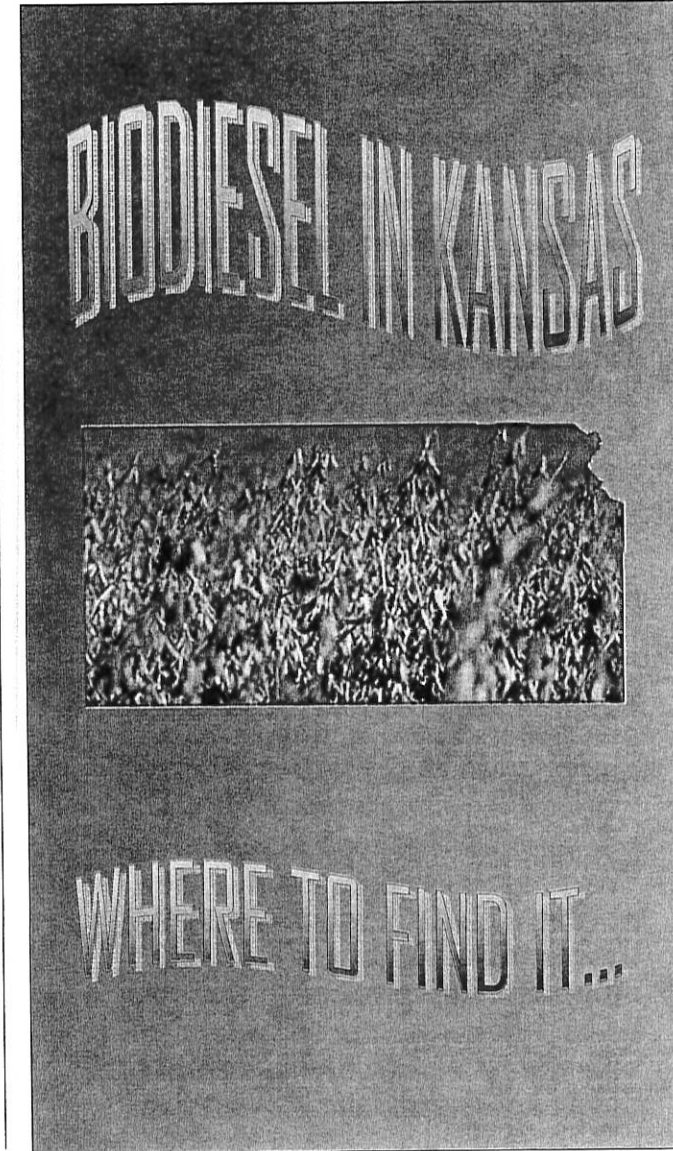


Biodiesel is a clean-burning renewable fuel which reduces emissions and our dependence on foreign oil. Biodiesel can be used without engine modification, making it a very user-friendly fuel. Biodiesel is stored and handled just as conventional diesel fuel when using B20 or lower blends.



2930 SW Wanamaker Drive
Topeka, KS 66614-4116
(785) 271-1040
(800) 328-7390
Fax (785) 271-1302
www.kansassoybeans.org

Made by: V. Knudsen



Kansas Biodiesel Bulk Providers

City	Retailer	Address
Abilene	Robison Oil	101 S. Cedar St
Arma	Devo Oil	205 E. Nector Ave.
Atma	Central Plains Coop	205 Railway
Atwood	Dave's Oil Service	209 Grant
Augusta	Southwind Oil	801 W 6th
Barnes	Kramer Oil Co.	2725 Barnes Ave
Baxter Springs	Farmers Coop	1011 Ottawa
Belleville	Farmway Co-op	1200 180 Road
Beloit	Shamburg	2986A US 24
Bethel	Central Plains Coop	205 Railway
Chanute	Chandler Oil LLC	720 N. Santa Fe.
Cimarron	Hilker Oil	602 E Ave A
Clay Center	Farmway Co-op	803 3rd St.
Clairborne	Mavene Coop	6700 S 135th St
Coffeyville	Clough Oil	104 E 4th
Columbus	Loop Oil Co.	730 N. Kansas Ave
Columbus	Farmers Coop	402 E. County Rd.
Concordia	Farmway Co-op	315 N. Broadway
Cottonwood Falls	Diesler Oil Co.	
Courtland	Hoard Oil	801 Grant
Dighton	Shull Oil	6th & Road 155
Dodge City	Av Energy, Dodge City Co-op	710 West Tra
Downs	Midtown, Inc.	010 Morgan
Durham	Agri-Producers, Inc.	526 Santa Fe Ave
Effingham	Jackson Farmers Inc.	Smith and Howard
El Dorado	Murphy Oil	580 N. Haverhill Road
Elbing	Epp Service	228 Main
Emporia	S&S Oil & Propane Co, Inc.	711 Anderson St
Emporia	S&S Oil & Propane Co, Inc.	2808 W. Hwy 50
Frankfort	Wanklyn Oil Co., Inc.	2051 Hwy 99
Fredonia	Chandler Oil LLC	601 N. 4th St.
Garden City	Hampel Oil	2121 W Mory
Garden City	Robison Oil	710 W VFW Rd.
Garden Plain	Hampel Oil	

Garden		
Garnett	Lyberger Oil, Inc.	704 N. Maple
Garnett	United Coop, Inc.	804 East 6th
Geard	Producers Coop	340 E. St. Jom
Goessel	Mid Kansas Coop	220 E. Main St
Goodland	Frontier Equity Exchange	West Hwy 24, Box 998
Great Bend	Meador Oil Co., Inc.	2302 Railway Ave
Great Bend	Bird Oil	3824 Railroad Ave
Great Bend	Great Bend Coop	323 S. Hwy 231
Grealey	United Coop, Inc.	Brown & Water Sts.
Greensburg	Voiz Oil Co.	1000 E. Kansas
Grimmell	Frontier Ag.	Highway 40
Haskell	Farmers Coop, Ellsworth Co.	302 W. 1st
Harris (Garnett)	United Coop, Inc.	29086 S. Walnut
Haven	Mid Kansas Coop	112 W. 2nd St
Hays	Midland Marketing Coop	219 E. 9th St.
Hickman	Kramer Oil Co.	614 Harvest Rd
Hiawatha	Dave's Oil Company	12th & Oregon
Hill City	Turnbull Oil Co.	2527 US Hwy 283
Holton	Knotty Pine Oil	124 W. 5th
Hoxie	Town & Country	1117 Oak
Hoxie	Bainter Oil Service, Inc.	929 Main St.
Hutchison	Farmers Coop	1400 W 4th St
Independence	Chandler Oil LLC	930 Railroad
Independence	Murphy Oil	3900 W Hwy 75
Irwin	Mid Kansas Coop	1084 Pennsylvania Ave
Jola	Hampel Oil	503 West St.
Juke	Kanza Cooperative Assn.	Summer & Main Streets
Jelmora	Av Energy, Dodge City Co-op	1220 South Main
Kansas City	Hampel Oil	2920 Fairfax Trwy.
Kingman	Farmers Coop	229 S. Main
LaCygne	United Coop, Inc.	210 S. Commercial
Lansing	Leavenworth County Coop	1205 N. Main
LeRoy	LeRoy Coop	505 6th Street
Lindsborg	Mid Kansas Coop	321 E. Lincoln St
Longford	Reed Bulk Fuel Service	105 Weda St.
Skamaton	Farmers Coop, Abbeotown	3084 E. 400 Road
Marquette	Kramer Oil Co.	1306 11th Road
McPherson	Mid Kansas Coop	518 W. Marlin St.
Medicine Lodge	Dark Oil	South Hwy. 281
Minneapolis	Bennington Oil Co. Inc	108 W. 2nd St.
Moline	Murphy Oil	498 Ks Hwy 99
Monticello	Av Energy, Dodge City Co-op	103 Terrace
Mound City	United Coop, Inc.	South Hwy. 7
Mound City	Motor Power Farm Service	7504 West 1000 Rd.
Mound Valley	Bartlett Coop Assn.	7th & Oak
Moundridge	Mid Kansas Coop	307 W. Cole Street
Nawaho	North Central Kansas Coop	1952 Main St
Ness City	Av Energy, Wright Co-op	918 W. Sycamore
Nickerson	Farmers Coop	1 S. Nickerson Rd.

Nortonville	Ruralgas Co. Inc.	19821 K4 Hwy
Oakley	Mitten, Inc.	E.Hwy 49 & E-70
Oakley	Frontier Ag.	1195 Albert St
Offerle	AV Energy, Offerle Grain & Supp	100 Santa Fe & Elm
Osage City	S&S Oil	701 Market
Oswego	Bartlett Coop Assn.	22505 W. 4th
Overland Park	Carier Petroleum Products, Inc.	8000 Metcalf Ave., Ste 200
Page City	Frontier Ag.	114 Misner Avenue
Parsons	Manners Oil Co	1230 Morton
Phillipsburg	Rangeland Coop	788 2nd St.
Plainville	Turnbull Oil Co.	704 W. Mill Street
Plainville	Midland Marketing Coop	105 N. Washington
Pratt	Hampel Oil	921 N. Main
Quinter	Midwest Cooperative & Mr. Tire	7231 Hwy. 40
Republic	Republic Oil Co	411 Main St
Rexford	Frontier Ag.	3179 US Hwy. 83
Rush Center	Mid State Farmers Coop	104 E. Union
Sabetha	Berwick Oil	121 S. Washington
Salina	Fuel Unlimited	1315 Beverly Dr.
Shenandoah	Nemaha County Coop	254 E. Main St
Soloman	Vahsholtz Oil	208 S Chestnut
St. Mary's	Farmers Union Coop Bus. Assn.	717 W. Bertrand
Studley	Midwest Cooperative & Mr. Tire	Hwy. 24, RR 1
Syracuse	Ark Valley Oil, LLC	204 W. Hwy 50
Syracuse	Syracuse Coop	
Thayer	W-G Fertilizer	4151 80th Rd
Troy	Capital Oil Co. LLC	911 SE Adams St
Troy	Davies Oil Company	Hwy. 36 Business Loop
Wakeney	Midwest Cooperative & Mr. Tire	427 S. Railroad
Walton	Mid Kansas Coop	100 S. Main St
Wellsville	Taylor Oil	504 Main
Whiting	Parallel Farms, Inc.	18648 286th Road
Winona	Frontier Ag.	9727 S. Hwy 83
Wright	Av Energy, Wright Co-op	10881 Main St
Yates Center	Woodson County Coop	700 W. Rutledge

Companies in italics are also national providers.

This list is updated periodically. To find the most updated version, please log on to www.msoy.org and look under the Biodiesel tab.

If you would like your business to be placed on the website and future brochures, please contact the Kansas Soybean Commission at (800) 328-7390. Last revised on November 5, 2007

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BIODIESEL

Biodiesel is a clean-burning renewable fuel which reduces emissions and our dependence on foreign oil. Biodiesel can be used without engine modification, making it a very user-friendly fuel.



Biodiesel is stored and handled just as conventional diesel fuel when using B20 or lower blends.



*The Soybean Checkoff...
It Works For Everyone!*

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Topeka, KS 66614-4116
(785) 271-1040
(800) 328-7390
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Made by: V. Knudsen

BIODIESEL IN KANSAS



where to find it at the pump...

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6-2

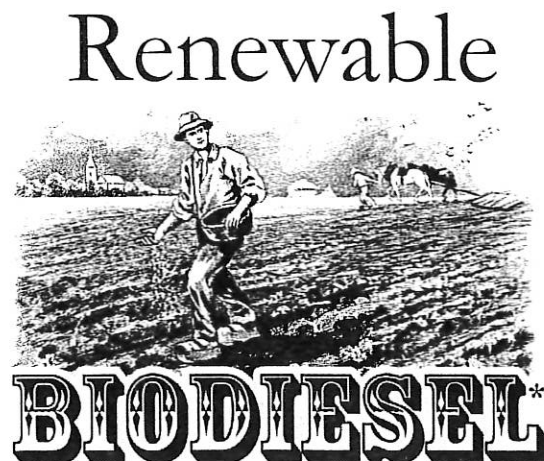
KANSAS

BIODIESEL

RETAIL PROVIDERS

CITY	RETAILER	ADDRESS	BLEND
Abilene	Robson Oil/ Liberty Oil	602 S. Buckeye	B10
Arhol	Central Plains Coop	205 Railway	B5
Baxter Springs	Farmers Coop	1005 Ottawa	B2
Bendena	Consumer Oil Co., Inc.	209 Commercial	B50
Bird City	Frontier Equity Exchange	W. Hwy. 36, Bow 99	B5
Brewster	Frontier Equity Exchange	Kansas & Railway Ave	
Buhler	Mid Kansas Coop	101 S. Main St.	
Burdett	Golden Valley Inc.	302 Locust	B2
Burns	Mid Kansas Coop	301 E. Main St.	
Canton	Canton Service Center	131 N Main	B2
Castleton	Mid Kansas Coop	2114 W. Main St.	B2
Cawker City	Bob's Inc.	604 Wisconsin	B2
Clearwater	Mulvane Coop	9700 S 135th St.	B2
Coming	Nemaha County Coop	Hwy 63	B5
Courtland	Hoard Oil	801 Grant	B2
Downs	Midtown, Inc.	919 Morgan	B2
Durham	Agri-Producers, Inc.	525 Santa Fe Ave.	B2
Emporia	S&S Oil & Propane Co. Inc.	711 Anderson St.	B100
Girard	Producer's Coop	300 E. St John	B5
Goessel	Mid Kansas Coop	220 E. Main St.	
Great Bend	Bird Oil/ Express	1000 Main St.	B10+
Great Bend	Great Bend Coop	323 S. Hwy. 281	
Great Bend	Bird Oil/ Express	3824 Railroad Ave.	B10+
Gridley			B2
Halstead	Farmers Cool Elevator Co.	302 W. 1st	B2
Hays	Midland Marketing Coop	219 E. 2nd St.	B2
Herrington	Vahshottz Oil	416 S. 5th	B2
Herrington	Cenex	3rd & Walnut	B2

Hillsboro	Coop Grain & Supply	121 Santa Fe	B2
Hillsboro	Coop Grain & Supply	512 E. D St.	B2
Hoisington	Bird Oil/ Express	251 S. Main St.	B10+
Inman	Mid Kansas Coop	1066 Pennsylvania Ave.	
Lawrence	Zarco 66	9th & Iowa	B2-B99
Lola	Hampel Oil	503 West St.	
Lehigh	Coop Grain & Supply	113 West Main	B2
LeRoy	LeRoy Coop	505 6th Street	B2
Lincolnton	Agri-Producers, Inc.	290th & Hwy 77	B2
Lindsborg	Mid Kansas Coop	321 E. Lincoln St.	
Marion	Coop Grain & Supply	404 South 3rd	B2
Marysville	Kramer Oil Co.	1206 11th Road	B2
Melvern	Jones Service	226 SE Main	B2-5
Montezuma	ADM Collingwood	28605-12 Rd.	B2
Moundridge	Mid Kansas Coop	307 W. Cole Street	
Navarre	North Central Kansas Coop	1552 Main St.	B2
Otis	Bird Oil/ Express	Hwy 4 and Main	B10+
Overbrook	Overbrook Gas & Convenience	403 E. 8th 56 Hwy	B5
Pratt	Hampel Oil	921 N. Main	
Rozel	Golden Valley Inc.		B2
Sabetha	Berwick Oil	121 S. Washington	B10
Seneca	Nemaha County Coop	223 E. Main St.	B5
Seward	Bird Oil/ Express	214 & Lincoln Ave.	B10+
Sharon			
Springs	United Plains Ag.	102 N. Front St.	B2
Sublette	Sublette Coop	500 W. Lelande	B2
Topeka	Capitol City Oil, Inc.	4141 Silver Lake Road	B20
Topeka	Capitol City Oil, Inc.	911 SE Adams St.	B20
Washington	Kramer Oil Co.		B2
Waterville	Route 77 Corner Store		B2
Whiting	Parallel Farms, Inc.	18648 286th Road	B10
Wichita	Pacific Pride	951 Dewey	B20
Wichita	Pacific Pride	3950 Southwest Street	B20
Wichita	Pacific Pride	3565 N. Hydraulic	B20
Yates			
Center	Woodson County Coop	700 W. Rutledge	B2



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- ❖ If you would like your business to be placed on the website and future brochures please contact the Kansas Soybean Commission at (800) 328-7390
- ❖ Last revised on October 15, 2007

revised 12-01-2007

Kansas Biodiesel Fuel Usage Survey Results

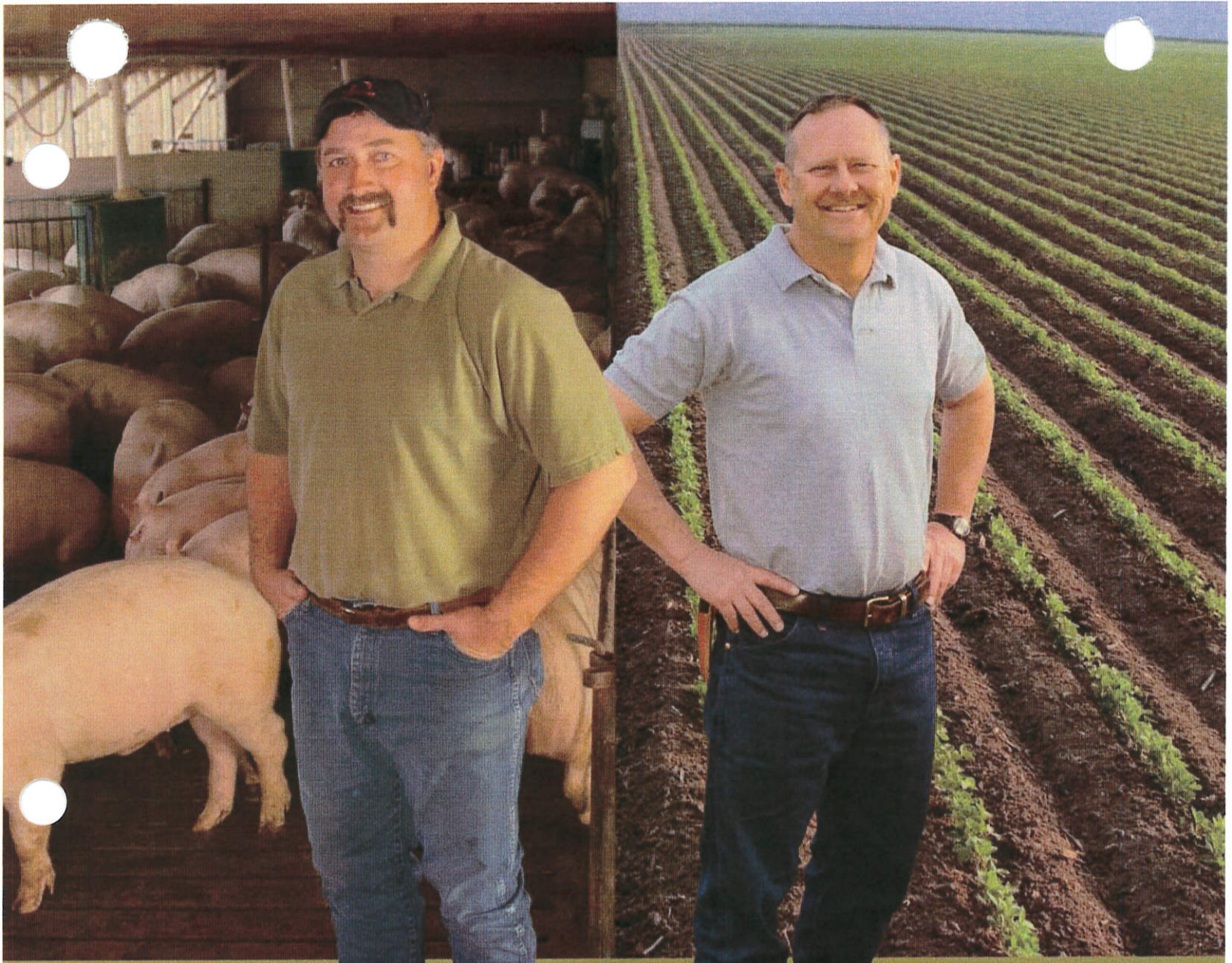
Blend	2004 Survey B100 Equivalent		2005 Survey B100 Equivalent	
	July 1, 2003 thru June 30, 2004		July 1, 2004 thru June 30, 2005	
	Totals in Gallons			
B2	5,926,305	118,526	3,921,861	78,437
B5	141,248	7,562	2,109,619	105,481
B10			100,000	10,000
B20			18,000	3600
B50				
B100		110,005	378,524	378,524
Total B100		236,093		576,042
Number of surveys returned out of	55 137		50 175	

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

Kansas Biodiesel Fuel Usage Survey Results

Blend	2006 Survey	B100 Equivalent	2007 Survey*	B100 Equivalent
	July 1, 2005 thru June 30, 2006		July 1, 2006 thru June 30, 2007	
	Totals in Gallons			
B2	3,616,039	72,337	3,019,480	60,390
B5	3,661,836	183,092	2,097,300	104,865
B10	2,750,000	275,000	344,400	34,440
B20	24,000	4,800	215,167	43,033
B50			50,893	25,447
B100	295,900	295,000	213,164	213,164
Total B100		830,229		481,339
Number of surveys returned out of	49 170		26 170	

*2007 represents a drop from 2006, but it represents 23 less surveys returned.
Those that returned survey, all but 2 showed increased growth in sales and blend levels.



I'm a pork producer.

I'm a soybean farmer.

Together, we raise our community's standard of living.

The swine industry is the soybean industry's second largest domestic customer. Pork producers purchase over 8.7 million tons of locally grown soybean meal to feed their hogs. And that's just part of their economic impact. They also account for more than 340,000 jobs nationwide, and generate more than \$1.6 billion in tax revenue. A strong animal agriculture industry helps ensure a better living for pork producers, soybean farmers and the entire rural community.

Brought to you by America's pork producers and soybean farmers.

800-456-PORK www.pork.org
www.animalag.org





SOY NOTES

For the Kansas Soybean Farmer

News from the Kansas Soybean Commission



United Soybean Board Chairman Eric Niemann stands in one of his soybean fields in Nortonville, located in northeast Kansas. While he's looking forward to "getting back to farming" once his third and final pointment with the United Soybean Board expires this December, he reflects on the changes he has seen within the industry and is excited about what new technologies are on the horizon.

United Soybean Board Chairman Eric Niemann Wraps Up Third and Final Term

Kansan Eric Niemann is no stranger to soybean leadership. Appointed in 1998 to serve on the United Soybean Board (USB) by then Secretary of Agriculture Dan Glickman, he was reappointed to serve two additional terms by Secretary Ann Veneman and most recently, by Secretary Mike Johanns. December 7 marks the end of Niemann's third term, or nine years of service. Having served on USB's Communications Committee, chaired USB's New Uses Committee, served as USB secretary and vice chair, and currently serving as USB chairman, this Nortonville farmer is leading USB's efforts locally and globally. Prior to his service with USB, he also maxed out his leadership terms with the Kansas Soybean Association. While he fully understands and represents Kansas farmers, he has balanced that with his responsibility in representing the nation's 680,000 soybean farmers.

Niemann has experienced a lot in the past nine years with USB, but perhaps nothing has made more of an impact on him than the evolution of industry partnerships. "We started out with basic research at universities," Eric said. "After a period of research, we found that if we took that research and partnered with industry, the industry could take that technology, apply it to a product and take it to market. That's what holds value for soybean producers."

And that's why Niemann is excited about the potential for soy polyols. For more than a decade, the USB and soybean checkoff have been funding the development of soy-based products and technology. A significant milestone was recently reached with Ford Motor Company's use of soy-based polyurethane foam (derived from soy polyols) in its seating applications for the 2008 Ford Mustang. Ford's breakthrough follows seven years of work by the auto company's team of researchers in its biomaterials department. Ford's research, the partnership with soybean farmers and their checkoff, and Lear Corporation helped make flexible foam technology a reality in Ford vehicles.

continued on next page

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USB Chairman Eric Niemann, continued

Ford researchers are working to replace 40 percent of the standard petroleum-based polyol with soy-derived material. At this level, using this soy polyurethane is estimated to result in as much as \$26 million in annual cost savings for Ford. As for the environmental impact, according to the National Institute of Standards and Technology (NIST), soy polyols have only one-quarter the level of total environmental impact of petroleum-based ingredients, which gives it tremendous worldwide marketing potential.

Niemann is also excited about USB's Production Committee's work with the USDA and the effort to map the soybean genome. He believes this research will be pivotal in developing soybean traits for years to come. From low-sat, low-and high-linoleic and Omega-3 beans to eliminating allergenicities in soy meal, Niemann is interested to see where they may end up - remaining in identity-preserved niche markets or ending up in the commodity markets.

"The exciting part is all these new traits, along with drought tolerance coming out in 2012-2013, give farmers more opportunities to partner with processors, technologies and grower groups," he said. "These are just a few examples of the partnerships that USB is forging to accomplish more and leverage more dollars for soybean producers."

"Eric Niemann is one of the most dedicated and hard-working individuals you'll ever meet," said Ron Ohlde, chairman of the Kansas Soybean Commission. "We're not a prominent soybean state, so to have Eric leading the USB has been a real honor for Kansas, and on behalf of the Kansas Soybean Commission, I thank him for his service. Although he is completing his final term, I'm certain that all soybean farmers will reap the benefits of his leadership for years to come."

Project Update: K-State Researchers Studying Soybean Variety and Germplasm Improvement

Co-investigators:

Bill Schapaugh, Soybean Breeder, Agronomy Department
Tim Todd, Plant Nematologist, Plant Pathology Department
Harold Trick, Plant Transformationist, Plant Pathology Department
Jim Long, Agronomist, Southeast Agricultural Research Center

Cooperators:

John Reese, Entomologist, Entomology Department
Mike Smith, Entomologist, Entomology Department

Kansas Soybean Commission Funding: \$226,590

Project Objectives

1. Develop high yielding, multiple pest resistant varieties for full-season and double-crop production, including varieties resistant to Roundup® and sulfonylurea (STS) herbicides.
2. Develop special purpose varieties for use in food, feed or industrial products.
3. Develop germplasm with specific disease and insect resistance, and improved oil quality.
4. Utilize procedures and strategies to improve selection efficiency in breeding for cyst nematode resistance (SCN) and other traits.
5. Improve Charcoal rot and SCN management recommendations.

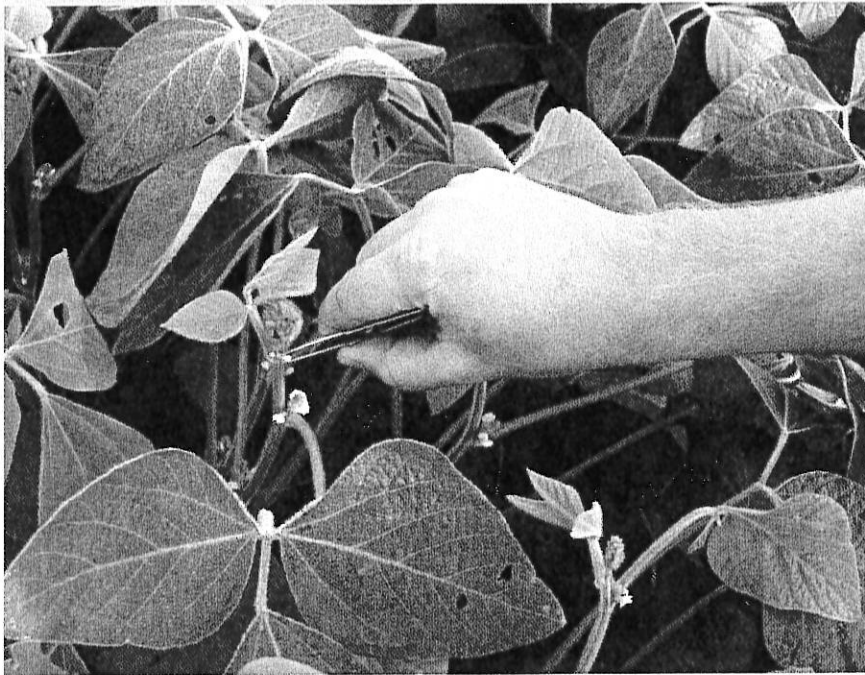
Soybean Cyst Nematode

Each summer, new crosses are made to produce experimental lines with enhanced traits such as higher yield, stress tolerance, oil quality, and SCN and Soybean Aphid resistance. The highest priority has been to develop high-yielding varieties and germplasm possessing "stacked" traits including SCN resistance, aphid resistance, and resistance to glyphosate and sulfonylurea herbicides. Over the past two years, the Kansas Agricultural Experiment Station (KAES) has released six new soybean varieties for licensing.

There is considerable concern over the narrow genetic background of current SCN-resistant varieties, and the fact that the nematode has adapted to each source of resistance deployed. Over 90% of the commercially available SCN-resistant soybean varieties derive their resistance from one source, PI88788. Funding from the Kansas Soybean Commission enables these researchers to evaluate thousands of progeny each year in their search for new sources of resistance to SCN. Since 1992, the KAES has released six high-yielding varieties that do not use PI88788 as a resistance source, and one variety possessing resistance from PI88788. The two Roundup Ready varieties released since 2006 have resistance to a broad range of nematode populations.

Soybean Aphid

With the soybean aphid becoming an important soybean pest in the Midwest and a potential threat to Kansas soybean production, K-State faculty have been working together to develop varieties and germplasm with resistance to this pest. Over the past few years, more than 240 soybean genotypes have been screened for resistance to the soybean aphid. Eleven entries have exhibited resistance. Several of the entries



Heat stress represents a powerful deterrent to successful flower fertilization in Kansas. For the past two years, K-State researchers have characterized the genetic variability in heat tolerance among soybean lines. Elite varieties have been planted in dryland and irrigated environments. Here, pollen collected from field-grown plants in the morning are subjected to various incubation temperatures in the lab. Bill Schapaugh, soybean breeder with KSU's Agronomy department, said his team is working on developing more heat-tolerant and higher-yielding soybean varieties for Kansas farmers.

with promising resistance were KAES-developed germplasm. Funding from this project has permitted the development of dozens of populations and several thousand progeny to study the genetics of Soybean Aphid resistance. A KAES germplasm release will be made this fall of an aphid-resistant, SCN-resistant soybean line.

Genetic transformation efforts continue, with over 60 independent soybean transformation experiments ongoing. These experiments include the introduction chitinase and glucanase genes for potential fungal disease control, chitinases and novel synthetic genes for nematode resistance, and a phospholipase gene for increased shelf life of oil.

Bill Schapaugh, head researcher, said, "We greatly appreciate the opportunity to interact with members of the Kansas Soybean Commission. We're also grateful for the financial support of Kansas Soybean farmers to develop new varieties, germplasm and information that improves soybean production."

KNOW OF ANY SCN-INFESTED FIELDS?

Soil samples are being collected throughout the state from fields infested with SCN - this information will be used to improve variety recommendations to soybean growers and to guide new variety development at K-State.

If you can assist with this project by identifying SCN-infested fields to sample, please contact:

Ms. Pam R zodkiewicz
785-532-7243
par@ksu.edu

Pam is a graduate student in the Agronomy Department at Kansas State University.

- District I-II-III Kurt Maurath**
2704 US Hwy 83
Oakley, KS 67748
kurtmaurath@ruraltel.net
- District IV Steve Clanton**
721 Kiowa Road
Minneapolis, KS 67467
sclanton@nckcn.com
- District V Harold Kraus**
977 Chetolah Gold Road
Hays, KS 67601
hkraus@ruraltel.net
- District VI Jerry Wyse**
8403 South Mayfield Road
Haven, KS 67543
jlywyse@hotmail.com
- District VII James E. Zwonitzer (Secretary)**
10789 Cheyenne Road
Horton, KS 66439
- District VIII Robert (Bob) Haselwood USB Director**
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796 Greeley Road
Nortonville, KS 66060
elniemann@earthlink.net
- USB Director: John Wray**
2428 Nebraska Road
Ottawa, KS 66067
jbwray@peoplepc.com

KSC Business Update

INCOME:

Collections & other income	\$2,752,303
United Soybean Board & other remittances	-\$1,369,719
Net collections & other income	\$1,382,584

EXPENDITURES:

International Market Development	\$315,983
Research	\$568,118
Consumer & Industry Education	\$411,446
Producer Communications	\$152,105
Administration	\$124,639
TOTAL EXPENDITURES:	\$1,572,291



Editor-in-Chief: Kenlon Johannes
Editor: Kimberly Gerlach

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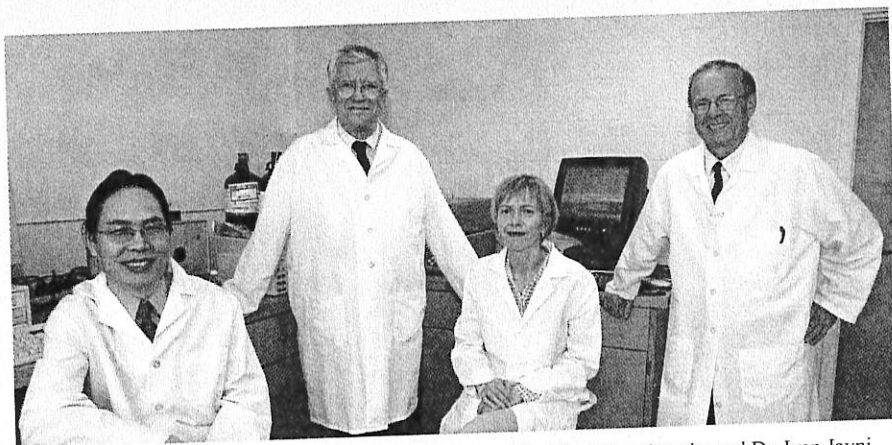
www.kansassoybeans.org
information@kansassoybeans.org

Kansas Polymer Research Center in Pittsburg Honored with National Award

Four scientists with the Kansas Polymer Research Center (KPRC) were honored in Washington, D.C., by the National Academy of Sciences. Cargill, Inc., the KPRC's research partner, was presented with the 2007 Presidential Green Chemistry Challenge Award in the Designing Greener Chemicals category for the research performed by KPRC scientists Dr. Zoran Petrovic, Dr. Ivan Javni, Dr. Andrew Guo, and Ms. Alisa Zlatanic. The group is the only research institution in the state of Kansas to win this prestigious honor.

The award recognizes the KPRC scientists for the invention of the new family of BiOH Polyols. Derived from natural vegetable oils such as soybean oil, BiOH Polyols help manufacturers of flexible polyurethane (used to make products such as foam and plastic chairs) reduce the impact on the environment.

Pittsburg State University (PSU) President Dr. Tom Bryant acknowledged the award, which represents more than 10 years worth of work by the scientists. "I am incredibly proud of the world-class research being



Pictured left to right are Dr. Andrew Guo, Dr. Zoran Petrovic, Ms. Alisa Zlatanic, and Dr. Ivan Javni, recipients of the 2007 Presidential Green Chemistry Challenge Award: Designing Greener Chemicals

performed by our scientists at the Kansas Polymer Research Center and the benefits their discoveries provide for our industry partners," said PSU President Dr. Tom Bryant, who attended the ceremony with Vice President for University Advancement Dr. Brad Hodson and KPRC Director Steve Robb. "The work they are doing is making our earth a little greener and our technologies smarter. It is a wonderful honor for these scientists and for Pittsburg State University."

The Kansas Soybean Commission provided partial funding for the early research at KPRC. Dr. Petrovic credits each of the scientists at KPRC for their work in achieving this award. "This is great recognition for our group at PSU and what we've been doing here," he said. "We were pleasantly surprised. This was not something that was achieved overnight."

SOY BIODIESEL AND YOUR DIESEL ENGINES

You can use soy biodiesel blends in existing engines with no modifications.


- Soy biodiesel has a higher cetane number than most petroleum diesel.
- After millions of hours of in-field demonstrations, soy biodiesel's fuel consumption, horsepower, torque and haulage rates were similar to those of conventional petroleum diesel.
- Soy biodiesel provides improved fuel lubricity, extending equipment life.

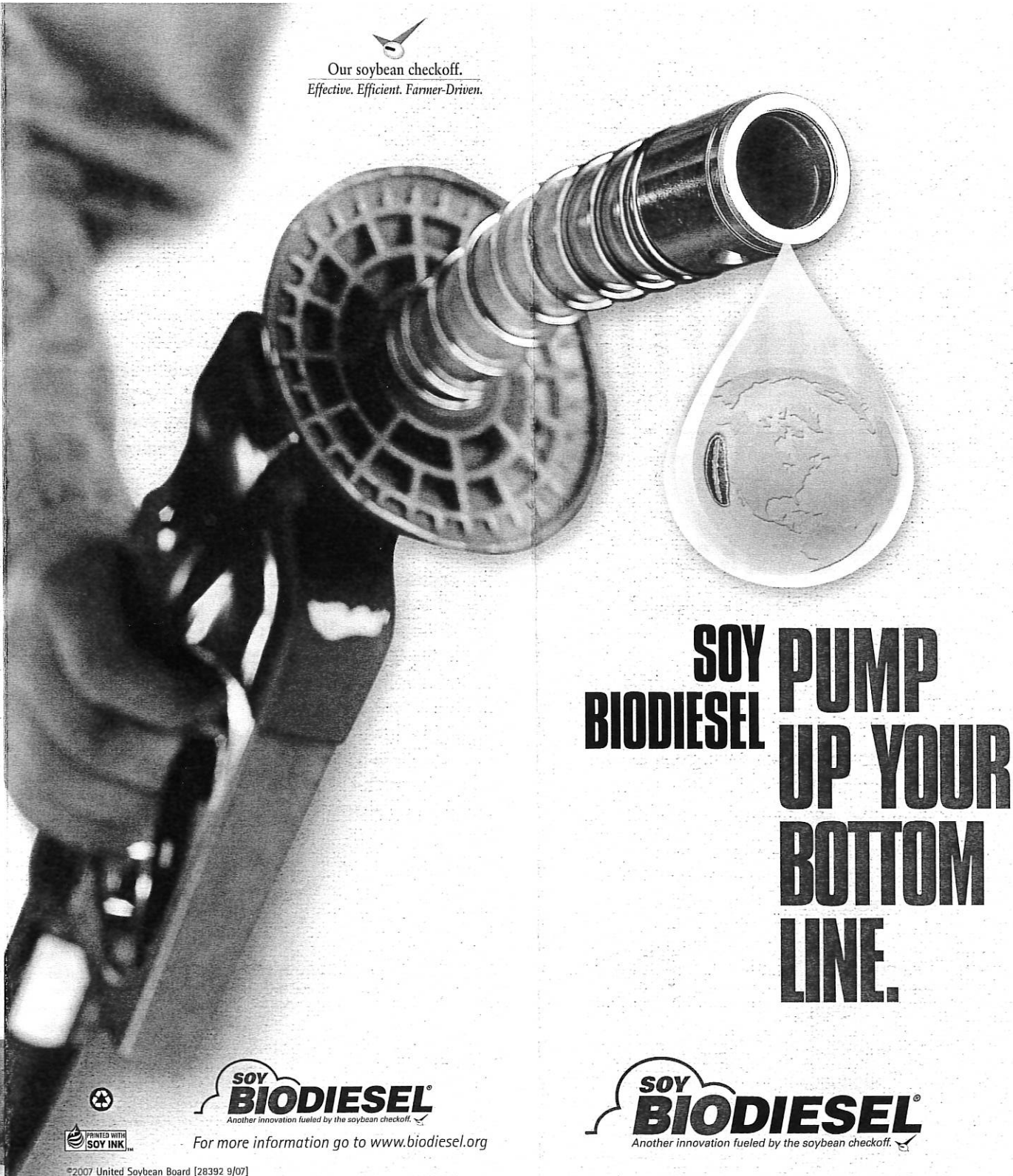
SOY BIODIESEL QUALITY & BLENDS

Soy biodiesel comes in different forms. In order for it to be biodiesel, it must meet ASTM D-6751 biodiesel quality specifications. Whether it's B100 or B2, each has distinct advantages:

- **B2** (2 percent soy biodiesel and 98 percent petroleum diesel): Economical and provides lubricity. A common blend offered by fuel retailers and distributors. With broad usage, it can utilize millions of bushels of U.S. soybeans annually.
- **B20** (20 percent soy biodiesel and 80 percent petroleum diesel): Offers significant clean air benefits. A common blend used by government, utility company and school-bus fleets to cut air pollution and meet clean air regulations.
- **B100** (100 percent soy biodiesel): Completely replaces petroleum diesel. B100 is homegrown fuel.




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



SOY BIODIESEL PUMP UP YOUR BOTTOM LINE.

SOY BIODIESEL
Another innovation fueled by the soybean checkoff.

For more information go to www.biodiesel.org

SOY BIODIESEL
Another innovation fueled by the soybean checkoff.

SOY BIO

ASK FOR IT.

- A clean-burn, renewable fuel
- Produced from renewable resources such as U.S. soybeans
- Available in all 50 states

PUMP IT.

- Provides diesel engine lubricity
- Helps extend diesel engine life
- No diesel engine modifications required

PROFIT.

- Put your soybeans to work for you
- A federal tax incentive makes biodiesel more affordable
- Farmers and ranchers are the third-largest users of diesel in engines.
- Farmers and ranchers use about 3.5 billion gallons of diesel fuel annually. If every farmer and rancher used B2, we could save 70.6 million gallons of pure soy biodiesel the soybean oil from over 47 million bushels of U.S. soybeans annually. Source: USDOE, 2002
- Agricultural use can set the stage for expansion of soy biodiesel use in other markets

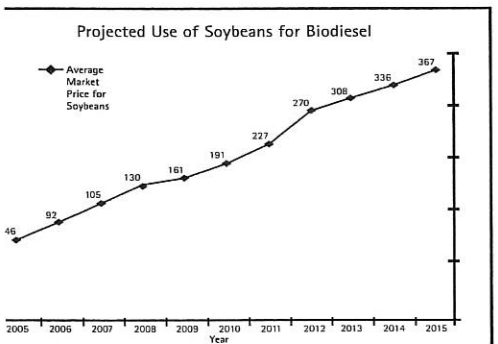


DIESEL AND ENGINE LUBRICITY

in... on fuel for lubricity. Soy provides superior lubricity with several s that include:
 quipment life.
 aintenance costs.
 ipment downtime.
 on against fuel injector and injection failure.

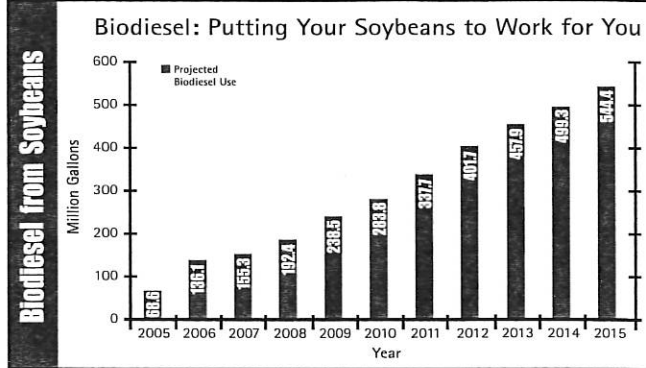
DIESEL PERFORMANCE BENEFITS

sel performance benefits speak
 elves:
 ent blend, called B2, can increase fuel
 by up to 66 percent.
 ajor diesel equipment manufacturers endorse
 if biodiesel blends to increase fuel lubricity
 ce engine wear.
 leum Marketers Association of America says
 'keters are eager to deliver products like soy
 that customers can benefit from.



HOW SOY BIODIESEL PUTS YOUR SOYBEANS TO WORK FOR YOU

The chart below shows the projected market growth of soy biodiesel.



Forecast prepared by LECG, LLC
 1. Annual Energy Outlook 2006, High Oil Price Case, Table 2. Converted from btu at 138,690 btu/gal
 2. Converted using 7.5 lbs. soybean oil = 1 gal biodiesel
 3. Assumes 11.1 lbs. sbo/bu soybeans

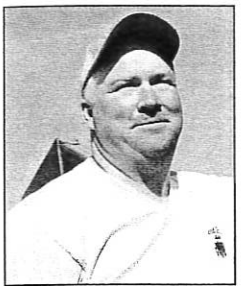
SOY BIODIESEL USE, STORAGE & COST

Soy biodiesel is as easy to use as other diesel fuels – just with more benefits:

- It can be used all year long.
- It's the safest of all fuels to use, handle and store.
- Handle B2 similarly to petroleum diesel.
- Precautions normally taken in cold weather for petroleum diesel should be used for B20 or lower.
- Store in a clean, dark environment.
- A federal law passed by the U.S. Congress and signed by the president in 2004 creates a tax incentive that can make soy biodiesel more affordable than ever.

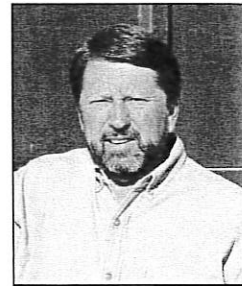
SOY BIODIESEL EXPERIENCE

"I am confident I am getting a quality product when purchasing biodiesel. All of the biodiesel I buy meets the ASTM D-6751 quality standard. I even used a 99.9 percent biodiesel blend in my operation with great performance."
 – Lewis Bainbridge, Ethan, South Dakota, Farmer



"I have had excellent results with biodiesel year-round. I use it in all my diesel-powered tractors and other equipment. I've experienced increased lubricity and overall cleaner-burning engines. I recommend it."
 – Geno Lowe, Hebron, Maryland, Farmer

"Our soybean checkoff has been involved in the biodiesel industry since its beginning. Helping create and continuing to fund biodiesel research through the National Biodiesel Board is just one example of how the checkoff has helped promote biodiesel."
 – Ike Boudreaux, Lebeau, Louisiana, Farmer



SOY BIODIESEL POCKET DICTIONARY

ASTM – American Society for Testing & Materials, an international organization that sets standards for products, including fuel. The biodiesel standard is known as ASTM D-6751.

Biodiesel Alliance – Coalition of individuals and groups united to advance the utilization of biodiesel. You can join at www.biodiesel.org.

OEM – Original Equipment Manufacturers, makers of diesel engines and other agricultural and industrial equipment. Many OEMs such as Case New Holland, Caterpillar, Cummins, Detroit Diesel, International and John Deere support the use of soy biodiesel. Let your OEM know you expect support of soy biodiesel.

NBB – National Biodiesel Board, funded largely by the soybean checkoff, is a nonprofit biodiesel industry trade organization (www.biodiesel.org).

BQ-9000 – a quality assurance program open to all companies actively producing, distributing or marketing biodiesel fuel and biodiesel blends. Accreditation is based on completion of a formal review and audit of capacity and demonstration of a commitment to produce or market biodiesel fuel that meets the American Society of Testing and Materials (ASTM) specification for biodiesel fuel.

QSSB – Qualified State Soybean Board. Twenty-nine states have farmer-driven QSSBs, which oversee soybean checkoff investments at the state level. Several QSSBs have been instrumental in research and development of soy biodiesel.

USB – United Soybean Board. Made up of 68 farmer-directors who oversee soybean checkoff investments at the national level. Funds NBB (www.unitedsoybean.org).

<p>1991</p> <p>Farmer-leaders drive soy biodiesel demonstration to U.S. Capitol.</p>	<p>1992</p> <p>Soybean checkoff helps organize National Biodiesel Board (NBB).</p>	<p>1993</p> <p>Soy biodiesel pilot demonstrations with vehicle fleets begin.</p>	<p>1994</p> <p>Soybean checkoff sponsors Zodiac global voyage fueled by B100.</p>	<p>1995</p> <p>Soy biodiesel quality study funded by the soybean checkoff.</p>	<p>1996</p> <p>Some school bus fleets start to use B20 to reduce emissions.</p>	<p>1997</p> <p>First soy biodiesel manufacturers register with EPA.</p>	<p>1998</p> <p>American Soybean Association (ASA) helps secure law to allow soy biodiesel for clean air compliance.</p>	<p>1999</p> <p>Pres. Clinton calls for expanded use of biobased fuels.</p>	<p>2000</p> <p>Several ag co-ops and fuel suppliers begin offering biodiesel to farmers.</p>	<p>2001</p> <p>Checkoff launches major effort to boost on-farm soy biodiesel use.</p>	<p>2002</p> <p>Federal tax incentive implemented, making soy biodiesel more affordable than ever.</p>	<p>2003</p> <p>Checkoff-funded research shows new diesel engines operate better on biodiesel.</p>	<p>2004</p> <p>Major agricultural fuel suppliers start installing rack injection blending and loading systems at terminals.</p>	<p>2005</p> <p>Original soy biodiesel demonstration vehicle makes return trip to U.S. Capitol with 300,000+ miles loqued.</p>	<p>2006</p> <p>Soybean checkoff funds EPA soy biodiesel health-effects testing.</p>	<p>2007</p> <p>More biodiesel customers and distributors require BQ-9000 fuel quality accreditation to ensure high-quality biodiesel.</p>
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Kansas Corn Commission Annual Report to the Kansas Legislature

**Presented by Bob Timmons, Chairman
Kansas Corn Commission
January 29, 2008**

Mr. Chairman and members of the committee, my name is Bob Timmons. My family and I farm near Fredonia, KS and I am currently serving as the Chairman of the Kansas Corn Commission (KCC). I appreciate the opportunity to appear before you today and present the corn commission's annual legislative report.

Attached with my testimony today, we have also provided you with copies of the commission's FY 2007 financial audit and the 2007 annual report to producers, which was distributed through Kansas Farmer magazine as well as at grower meetings and farm shows. This report includes a description of current projects in the areas of Production/New Use Research, Domestic Market Development, Foreign Market Development, and Promotion and Education.

The Kansas Commodity Commissions are currently in an election process by Kansas producers in the central agricultural statistics reporting districts. This year's elections will begin the third full cycle of the elections process, since the commissions were given the ability to manage themselves outside the state system. This change has worked well and now involves more Kansas growers than ever before.

Since its creation in 1977, the KCC has taken the approach of using this fiscal year's revenue to fund the next fiscal year's programs. 2007 was a banner year for corn production in Kansas. Thanks to good weather, increased acres, and improved crop genetics and farming practices, Kansas farmers harvested 518 million bushels, a record crop. Our 2007 production was up 50 percent from 2006.

During the previous fiscal year, the KCC processed refunds to 1157 producers. These refunds are typically processed and checks mailed within 2-3 working days of receipt at our office, with any rarely taking longer than five working days to complete. The FY 07 checkoff refund percentage was 16.28 percent.

The commission uses check-off funds to enhance corn demand and opportunities with our customers. Use in livestock feed remains the largest market for corn. Over 50 percent of our research funding in the current fiscal year is related to livestock. Another significant opportunity exists with growing ethanol production. The commission continues to work to increase the use of ethanol in Kansas, and has provided counsel to numerous local groups and Kansas communities pursuing ethanol plants. Exports remain an important market for corn and value added corn products like Kansas Beef. The commission funds cooperators like the U.S. Grains Council and the U.S. Meat Export Federation to gain broader access to international markets. These groups are able to use Federal matching funds, thus giving Kansas producers more bang for their bucks.

For those that question the value of promoting corn and its many uses, one needs merely to look at the tremendous increase in farm gate value, largely the result of the corn grower's efforts in ethanol. We have been good partners with many others in this success, including the State of Kansas, and we all should be proud. The ethanol industry is expanding and Kansas has seen a proportionate share of that growth. In addition to renewable fuel, our Kansas ethanol plants are producing a large amount of distillers grains which is helping feeders to offset higher grain prices. And while our livestock sector, ethanol industry, and export customers must adjust to higher corn costs, we know that the previous market prices were not sustainable for corn farmers who continue to experience huge cost of production increases through higher costs for inputs like fertilizer and fuel.

At the Kansas Corn Commission, we will continue to move forward on behalf of Kansas corn producers and we look forward to continuing these efforts in the years to come.

KANSAS CORN COMMISSION

Garnett, Kansas

FINANCIAL STATEMENTS

WITH

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2007 and 2006

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

3-3



October 29, 2007

Board of Directors
Kansas Corn Commission
Garnett, Kansas

Independent Auditors' Report

We have audited the accompanying statements of assets and net assets - cash basis of Kansas Corn Commission (a quasi municipal entity) as of June 30, 2007 and 2006, and the related statement of activities - cash basis for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets - cash basis of Kansas Corn Commission as of June 30, 2007 and 2006, and the changes in its net assets for the year then ended on the basis of accounting described in Note 1.

Certified Public Accountants

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

Financial Statements

	<u>2007</u>	<u>2006</u>
ASSETS		
Current Assets		
Cash		
Money Market	\$ 42,498	\$ 96,762
High Performance Savings	1,188,583	1,059,844
Overnight Repo Agreement	-	-
CD's	<u>500,000</u>	<u>600,000</u>
TOTAL ASSETS	<u>\$ 1,731,081</u>	<u>\$ 1,756,606</u>
NET ASSETS		
Net Assets	<u>\$ 1,731,081</u>	<u>\$ 1,756,606</u>
TOTAL NET ASSETS	<u>\$ 1,731,081</u>	<u>\$ 1,756,606</u>

3-5

The accompanying notes are an integral part of these financial statements.
 See Certified Public Accountants' Report.

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

Financial Statements

	2007	2006
CHANGES IN NET ASSETS		
REVENUE		
Check-off collections	\$ 1,709,905	\$ 1,970,705
Refunds	(278,269)	(363,359)
Net	\$ 1,431,636	\$ 1,607,346
Interest income	62,604	42,405
Total Revenue	\$ 1,494,240	\$ 1,649,751
 EXPENSES		
Administrative		
Communications	\$ 39,021	\$ 38,996
KCGA - Administration	74,000	74,000
In-state travel	5,889	3,557
Out-of-state travel	43,039	38,869
Office	2,462	2,552
Meetings	7,146	4,761
Hospitality	2,611	5,320
Grants	15,300	8,900
Program		
KCGA	372,000	332,000
KS Department of Agriculture	8,655	11,094
KSU - Research	43,515	60,775
KSU - International Grains	50,000	50,000
National Corn Growers Association	340,000	312,000
Ethanol Expansion	27,877	54,177
Other contracts	122,250	124,450
US Grains Council	366,000	300,000
US Meat Export Federation	-	-
Total Expenses	\$ 1,519,765	\$ 1,421,451
 INCREASE (DECREASE) IN NET ASSETS	\$ (25,525)	\$ 228,300
 NET ASSETS - JULY 1	1,756,606	1,528,306
 NET ASSETS - JUNE 30	\$ 1,731,081	\$ 1,756,606

3-6

KANSAS CORN COMMISSION
Garnett, Kansas
NOTES TO FINANCIAL STATEMENTS
June 30, 2007 and 2006

Notes To Financial Statements

Note 1: Summary of Significant Accounting Policies

Organization

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

Method of Accounting

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

Income Taxes

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

Pension Plan

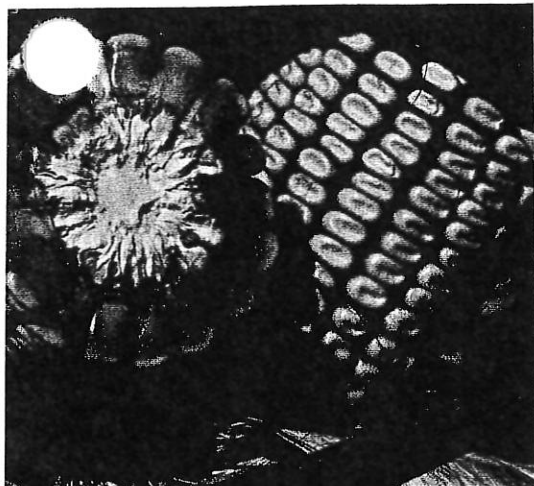
There is no formal pension plan.

Use of Estimates

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

Note 2: Deposits and Investments

The Commission's deposits were secured by FDIC insurance and pledged securities.



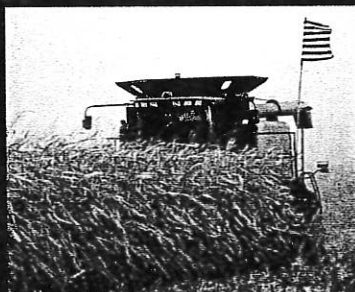
KANSAS CORN 2007

The 2007 Annual Report of the Kansas Corn Commission

Kansas Corn in 2007: BIG

2007—The year began with big corn prices over \$3.50. Big snow, ice and rain caused big problems, but also built up big subsoil moisture in the driest parts of the state. Spring planting brought big optimism with farmers responding to big moisture and prices. Kansas growers planted 3.7 million acres of corn and are now looking at the largest harvest in Kansas history. There is no doubt that growth in the ethanol industry, coupled with strong export demand and our ever-strong livestock sector maintained strong corn prices through the year. The Kansas Corn Commission was created thirty years ago, and the growers who have served on the commission have worked to build markets by creating domestic demand in the livestock and ethanol industries as well as building foreign markets for corn and corn products. Research funded by the commission has helped us work toward our goals in these areas while providing growers with better ways to grow their crops and conserve their soil and water.

This annual report will look at the commission's work for fiscal year 2008. It will also provide a retrospective to show how Kansas corn producers have put their half-cent per bushel corn checkoff to work over the past 30 years. Today, those 30 years of investment are beginning to pay off—big.



Harvesting corn

BIG CORN—The October crop estimates peg the 2007 Kansas corn crop at over 493 million bushels, 43 percent above the 2006 harvest. This record harvest projection can be attributed to an increase in acres, and more importantly, an increase in yield statewide. Yield improved over 2006 in every crop reporting district in the state.



East Kansas Agri Energy LLC

BIG MARKETS—Worldwide demand for grains is strong, the use of corn for ethanol continues to grow, and the demand for corn from the livestock sector remains strong. Corn producers have shown that they can meet demand from these strong and growing markets. Advances in crop genetics and farming practices are playing a big part in the growing corn industry.



Ken McCauley

BIG LEADERSHIP—Kansas Corn Commissioner Ken McCauley of White Cloud completed his term as President of the National Corn Growers on October 1, and is now chairman of the national organization. Commissioner Terry Vinduska of Marion, is in the officer rotation for the US Grains Council and is now serving as secretary of the organization. Grower leaders provide Kansas producers with a voice in these national groups.

The 2007 harvest is pegged to be the largest in history—
today's corn producers are meeting our nation's
growing demand for food and fuel.

**KANSAS ETHANOL
BY THE NUMBERS**

Kansas Productionmgy

Conestoga Bonanza	
Garden City.....	55
White Energy, Russell.....	48
Prairie Horizon	
Phillipsburg	40
Western Plains	
Campus.....	45
East Kansas	
Garnett.....	35
Abengoa, Colwich.....	25
Reeve, Garden City	15
MGP, Atchison.....	10
ESE, Leoti.....	1.5
Total	274.5

Under Construction ... mgy

Gateway, Pratt.....	50
Conestoga Arkalon	
Hayne/Liberal.....	110
Kansas Ethanol, Lyons....	55
NESIKA, Scandia.....	10
Goodland Energy Center	
Goodland	20
Total	245

**figures as of 10-1-07; other plants are nearing construction or are in various stages of planning; for a more complete listing, visit www.ksgrains.com*



LOOK FOR THE E. Kansas was the first of many states to sign on to the Ethanol Promotion and Information Council's new ethanol branding program. The KCC is working with EPIC to encourage retailers to label their E10 Unleaded and E85 Fuel with the new E labels which are offered at no charge through EPIC.

Kansas Sees Healthy Growth in Ethanol Industry

You can make a good argument that fuel ethanol was essentially born in Kansas. In 1908, Henry Ford built an ethanol distillery in Atchison to produce fuel for his newest car, the Model T. An abundance of cheap oil allowed gasoline to become the fuel of choice for the cars, pushing ethanol into the background until recently when ethanol became viewed as a big part of the solution to our nation's energy woes. Since the creation of the Kansas Corn Commission in the late 1970s until today, one thing has remained constant—the Commission's commitment to promote the use and production of ethanol in Kansas. Thirty years ago, growers saw the ethanol industry as a way to add value to their corn crop.

Today, we are beginning to see the benefits of that work. Over the past 30 years, we've studied and promoted the ethanol industry; we've dressed up as sheiks, cheerleaders and corn heroes; we've been at county fairs, state fairs, parades, farm shows, schools, gas stations and environmental conferences; we've made brochures, developed marketing campaigns, talked on the radio and television, and spoken to any person or group who would listen to our ethanol message. Through all this we had the same goal—to expand production and build markets for ethanol. Today that work is paying off. As of October 1, 2007, Kansas had 9 ethanol plants that produced nearly 275 million gallons of ethanol. By the end of 2007, we'll add at least another 50 million gallons of production. Another 160 million gallons of production should come on-line in early 2008. This year, the Kansas Legislature passed a state renewable fuels standard that will begin in 2009 to increase the use of biofuels in Kansas. Visit the Kansas Ethanol Information website at www.ksgrains.com for more information.

E10, E85 Available! Use of E10 Unleaded fuel with 10 percent ethanol is strong in Kansas, and more and more stations are adding E85, 85 percent ethanol. KCC has actively worked with fuel retailers across the state to help them add ethanol blended fuels to their stations, and to help them promote the fuel as well. E85 fuel is now available in 24 stations in Kansas. For a complete E85 list, visit www.ksgrains.com



Kansas Secretary of Agriculture Adrian Polansky tries out the ethanol-powered Indy race car on display at the biofuels exhibit at the Kansas State Fair. The race car, courtesy of the Ethanol Promotion and Information Council, gave us a unique opportunity to talk to people about ethanol. Beginning in 2007, the Indy Racing League is fueled with pure ethanol. Hundreds of people stopped by the biofuels exhibit at the State Fair. The Kansas Corn Commission, along with the Kansas Soybean Commission and Kansas Association of Ethanol Processors sponsored the biofuels exhibit.

**The Kansas livestock industry is our #1 customer.
One-third of the grain used in ethanol production is converted to wet or dry distillers grains.**

PROJECTS

Below is a listing of the projects funded by the Kansas Corn Commission in Fiscal Year 2008, beginning July 1, 2007 and ending June 30, 2008.

Enhancing Ethanol Byproduct and Corn Usage Efficiency in Kansas Cattle Feeding: Jim Drouillard, KSU Animal Science and Industry; \$81,250

Grain Marketing Research & Education in Support of Kansas Corn Producers: Bryan Schurle, KSU Agricultural Economics; \$12,470

Effects of Corn, Grain Sorghum and Soybean Oil and Meal on Pork Quality: Robert Goodband; Animal Sciences and Industry; \$24,576

Recovery of Phosphorus from Waste Water from Confined Animal Feeding Operations: Kansas Environmental Management Associates; \$50,000

Effects of Tillage Practices and Limited Irrigation on Corn Production: Freddie Lamm, KSU Northwest Research Extension Center; \$15,000

Managing Nitrogen in Irrigated Corn for Use and Loss: Dave Mengel, KSU Department of Agronomy; \$31,120

Extension and Applied Research Programs for Kansas Corn Production: Kraig Roozeboom, KSU Department of Agronomy; \$7,900

Locally Led Core Conservation Practices to Protect Water Quality: Brian Lindley, No Till on the Plains; \$5,000

Kansas Foundation for Agriculture in the Classroom: \$12,500

KSU International Grains Program: Foreign Market Development; \$50,000

US Meat Export Federation: Foreign Market Development for Meat; \$50,000

US Grains Council: Foreign Market Development for Corn and DDGS; \$335,000

Kansas Corn Growers Association: Promotion, Market Development and Education; \$339,000

National Corn Growers Association: Core Funding, \$137,000; Biotechnology-\$40,000; Ethanol-\$42,600; Grower Services-\$10,000; Water Quality-\$13,000; Public Policy-\$50,000; Research & Development-\$30,000; Trade-\$10,000; Transportation-\$14,000.

KANSAS CORN COMMISSION FUNDING FY2008

Promotion and Education: 24%

Foreign Market Development for Corn, DDGS and Meat: 36%

Domestic Market Development: 19%

Research Funding: 21%



Kansas Corn Honors Our #1 Customer

Kansas' livestock industry remains our #1 customer. Even as ethanol lifts prices for corn producers, the Kansas Corn Commission has kept sight of the livestock industry, the leading customer of corn. Over 50 percent of the KCC's research dollars in FY08 are being spent on livestock-related research. The KCC also has been an active member of the US Meat Export Federation since the late 1970s. Our goal is to continue to meet the needs of the livestock industry as well as the ethanol industry. The 2007 Kansas corn crop is expected to be the second largest in history. While weather certainly played an important role, advances in corn hybrids and production methods continue to improve the corn producer's ability to deliver quality corn to his customers.

Foreign Market Development for Corn, DDGS and Meat a Priority

Strong exports of corn as well as corn byproducts and corn-fed meats play an important role in the profitability of corn. The Kansas Corn Commission works with the US Grains Council, US Meat Export Federation and KSU's International Grains Program to build markets not only for corn, but for byproducts like distillers grains from ethanol plants, and meat.



Kansas Corn Commissioner Pat Ross, right, leads a tour of his cattle feeding operation near Lawrence. This group of North African grain buyers was part of a US Grains Council tour that made its way into Kansas this summer.

Advances made through corn checkoff-funded research helps corn producers protect and conserve our state's surface water and ground water supplies.

See www.ksgrains.com for more info

Kansas Commodity Classic Is November 13 at Salina

You won't want to miss the Kansas Commodity Classic, the annual commodity conference of the Kansas corn, wheat and grain sorghum associations November 13 at the Salina Holiday Inn. This year's Classic will feature a general session with top speakers who will give their perspectives on the ag economists' outlook for the commodities, EPA's role in the farming community, and a timely farm bill update. After a complimentary lunch, growers will be able to participate in smaller breakout sessions of their choice of topics.

The Classic is FREE for all growers! Pre-registration is requested, but growers are always welcome to register at the door.

Kansas Commodity Classic Program

9 a.m. General Session
Welcome

Kansas Commodity Outlook Panel

EPA and the Farming Community

Farm Policy Update

LUNCH

Breakout Sessions

Participants may attend two afternoon breakout sessions, plus our famous ice cream break!

Risk Management – Optimizing Crop Insurance

Regulatory Hurdles in the International Marketplace

Estate/Financial Planning

Transportation Outlook for Kansas Commodities

Genetic Future for our Kansas Commodities

Regulatory Hurdles in the Domestic Marketplace



The Kansas Corn Commission held a joint meeting with the Kansas Corn Growers Association board in August at the National Corn Growers Association office. Front row from left to right: Armin Nelson, KCGA; Harvey Heier, KCC; Bill Pauly, KCGA; Pat Ross, KCC; Jere White, KCC/KCGA Executive Director; Carolyn Dunn, KCC. Back Row: David Studer, KCGA; Terry Vinduska, KCC; Charles Foltz, KCGA; Bob Timmons, KCC/KCGA; Ken McCauley, KCC; Brian Baalman, KCG/KCGA; John Tibbits, KCGA; Fred Stemme, NCGA.

The Kansas Corn Commission

The Kansas Corn Commission determines how the half-cent per bushel corn checkoff is invested to benefit corn producers. The Kansas corn checkoff is voluntary, and growers may request a refund by contacting the Kansas Corn Commission. **Producers Decide How Checkoff Dollars Are Spent:** The commission is made up of nine corn producers who represent the state's crop reporting districts. The commission invests the checkoff in the areas of market development, research, promotion and education. **Corn Commissioners Are Elected by Producers:** Under a structure passed by the Kansas Legislature in 2000, commissioners are elected by producers to decide how check-off funds are spent for the greatest benefit to Kansas corn producers. **2008 Elections:** Growers in the North Central, Central and South Central crop reporting districts will elect commissioners in 2008. Voter registration for these districts is open until December 31, 2007. Candidate registrations are due November 30, 2007. Contact the Kansas Department of Agriculture for more information at 785-296-3556 or visit www.ksda.gov

District 1—Northwest
Brian Baalman
Menlo

District 4—North Central
Mike Brzon
Courtland

District 7—Northeast
Ken McCauley
White Cloud

District 2—West Central
Harvey Heier, Secretary
Grainfield

District 5—Central
Terry Vinduska
Marion

District 8—East Central
Pat Ross, Treasurer
Lawrence

District 3—Southwest
Greg Stone
Garden City

District 6—South Central
Carolyn Dunn, Vice Chair
St. John

District 9—Southeast
Bob Timmons, Chair
Fredonia

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

6:00 p.m. Monday, Nov. 12
at the Salina Holiday Inn
*Hosted by the Kansas Corn
Commission*

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

*Kansas Corn Commission will
meet at 11 a.m. on Nov. 12*

*Kansas Corn Growers
Association Annual Meeting to
be held following the Corn
Producers Dinner at 8 p.m.*



Contact the Kansas Corn Commission

Kansas Corn Commission, Jere White, Administrator
110 W. 4th St.; PO Box 446, Garnett, KS 66032
Phone: 785-448-2626 ♦ E-mail: corn@ksgrains.com ♦ Web: www.ksgrains.com

This annual report is published to inform corn producers of the activities of the Kansas Corn Commission.
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KANSAS GRAIN SORGHUM COMMISSION

2008 ANNUAL REPORT

YIELDS OF 2007 BRING INVESTMENT RESULTS For the KANSAS GRAIN SORGHUM COMMISSION

The final state yield for the 2.65 million acres of Kansas cropland was 80 bushels per acre. That mark tied the previous yield record which was set in 1998. The average tied the record largely from yields that were improved in huge areas of Kansas, which helped offset some of the areas that received erratic weather this summer. Kansas' total yield of 212 million bushels was first nationally leading Texas' 161.7 million bushels and accounting for 42 % of the US total production of 505 million bushels.

On the US side, the sorghum yield of 74.2 bushels per acre broke the 1994 national record by a bushel and a half according to the National Agriculture Statistics Service (NASS). The Kansas Commission takes pride in the total industry results as it invests check-off dollars heavily into production research and breeding on a National level.

"We have been consistent production leaders," Jeff Casten, KGSC Chairman from Quenemo said. "And have led the way for our grower funded programs in Kansas and other states as a key to improving our crop and profitability."

A change was originally anticipated to negatively impact the price of sorghum in 2007, however, favorable and consistent prices reversed that speculation. The expiration of certain North American Free Trade Association (NAFTA) provisions resulted in corn having full and open access to the Mexican export market as of January 1, 2008. However, current domestic and international demand for sorghum has fortified markets to the extent that the expiration of NAFTA provisions favoring grain sorghum have had little short term effect on sorghum prices. Foreign and domestic market development priorities for the check-off continue to yield results.

Sorghum producers in 2007 also benefited from more tools and options for weed and grass herbicide management. Registrations for MiloPro 4L are new for the upcoming growing season and Poncho seed treatment is now more readily available after being available on sorghum just last year.

In 2001 the Commission began a new research push to build a better system for sorghum research. Kansas State University (KSU) formed the Center for Sorghum Improvement and has brought in some of the brightest and energetic team members available in US agronomy. Now capitalizing on the sorghum genome sequencing, Commission sponsored research in genetics, crop physiology, and production through the team at the Center has the future in focus. A KSU research project could give sorghum farmers non-GMO weed control in a few years.

"We are moving the herbicide resistant gene from a wild relative of sorghum to the sorghum plant," Kassim Al-Khatib, KSU weed scientist said.

Reports from KSU have this product proceeding with the EPA IR4 registration of Nicosulfuron and Rimsulfuron for use on ALS tolerant sorghum. In last year's report, KGSC had injected 150,000 dollars of grower check-off into the National Grain Sorghum Producers Foundation for cooperative research into a unique trait that provides for tolerance to a herbicide that can control grasses such as shattercane and grassy sandbur. This research has found a marketing partner and is moving toward grower fields by possibly 2011.

With these successes, not only have the harvested acres increased, but research dollars from other sources are coming into the industry research. Helping multiply the effect of the Kansas producers' check-off are such programs like, KSU's Targeted Excellence Grant, given this summer to the sorghum translational genomics program for a four year total of one million dollars. The market promotion, education, and research given to the National Sorghum Producers have helped secure almost 2.5 million dollars a year for research through USDA-ARS nationally. With the future in mind, even forage sorghum research is being stepped up on the national level as possible answers for the cellulosic biofuel equation to the US fuel demand.

*Senate Agriculture Committee
1-29-08
Attachment 4*

KGSC Funded Projects – FY 2008

The Kansas Grain Sorghum Commission allocated check-off funds in the areas of research, foreign market development, domestic market development, promotion, and education.

Below is a listing of projects funded by the Kansas Grain Sorghum Commission for FY 2008.
July 1, 2007 through June 30, 2008

Research Funding

Development and Utilization of Sorghum as a Feedstock for Biofuel Production	
KSU-Principal Investigator Donghai Wang	\$30,000
Enhancing Sorghum Yield and Profitability through Nitrogen Management	
KSU-Principal Investigator David Mengel	18,000
Improving Drought Tolerance in Sorghum through Association Mapping	
KSU-Principal Investigator Jianming Yu	30,000
Screening Sorghum Germplasm for Drought and Heat Tolerance	
KSU-Principal Investigator P.Vara Prasad	23,000
Evaluation of Strip-Tillage for Grain Sorghum in Kansas	
KSU-Principal Investigator Keith Janssen	6,300
Extension and Applied Research Programs for Kansas Grain Sorghum Production	
KSU-Principal Investigator Kraig Roozeboom	5,200
Improving Understanding of the Mechanisms of Grain Sorghum Drought Tolerance	
KSU-Principal Investigator Scott Staggenborg	8,500
Management Systems for Grain Sorghum Production under Dryland and Limited Irrigation Conditions	
KSU-Principal Investigator Barney Gordon	6,500
Breeding Grain Sorghum for Improved Dryland Production	
KSU-Principal Investigator Mitch Tuinstra	73,000
Improving Crop Management Decisions with Soil Moisture Monitoring	
KSU-Principal Investigator Danny Rogers	3,600
Residual Production Research for ALS Herbicide Tolerant Grain Sorghum	
IR-4 Headquarters-Principal Investigator Jerry Baron	10,000
KSU Center for Sorghum Improvement	25,000
National Sorghum Producers	
Research Funding	75,000
Market Development, Promotion, and Education Funding	
US Grains Council	31,000
National Sorghum Producers	150,000
Funded Projects	
Total	495,100

FY 2008 Budget

July 1, 2007 through June 30, 2008

KANSAS GRAIN SORGHUM COMMISSION

INCOME

Estimated Net Assessments	\$ 667,000
Allowance for Refunds	-30,000

Net Income	\$ 637,000

EXPENSES

Programs:	
KSU Research	\$ 204,100
Center for Sorghum Improvement	25,000
National Sorghum Producers	225,000
USGC	31,000
Administration & Overhead	139,700
IR4 Headquarters- Residue Research	10,000
Special Projects	5,000
Advertising & Media	3,000

Total Expenses	\$ 642,800

PROJECTED INCOME/DEFICIT **- 5,800**

BEGINNING CARRY-OVER 7/01/2007 **\$ 352,710**

PROJECTED CARRY-OVER 6/30/2008 **\$ 346,910**



Kansas Grain Sorghum Commission Frequently Asked Questions

What does the Commission do?

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

The areas of investment are:

- Production and New Use research
- Domestic Market Development
- Foreign Market Development
- Promotion and Education

Who serves on the commission?

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

Are commissioners elected or appointed?

Thanks to legislation passed in 2000, designed to give growers more input into their commission representation, growers began to elect commissioners in 2002. 2008 marks the seventh round of elections, in which growers will select commissioners for the north central, central, and south central districts.

Who handles the commission business?

The administrator of the Kansas Grain Sorghum Commission is Kevin Lickteig. The address is PO Box 243 in Paola KS 66071. The toll-free phone number is 866-4KSMILO (866-457-6456)

KANSAS GRAIN SORGHUM COMMISSION

District 1 NW Richard Calliham
Colby
785-462-2459

District 2 WC Greg Graff, Vice-Chair
Marienthal
620-379-4677

District 3 SW Boyd Funk
Garden City
620-521-2463

District 4 NC Bill Greving, Sec/Treasurer
Prairie View
785-973-2224

District 5 C Clayton Short
Assaria
785-667-3833

District 6 SC Jay Zimmerman
South Haven
620-326-7338

District 7 NE Kurt Staggenborg
Marysville
785-562-3275

District 8 EC Jeff Casten, Chairman
Quenemo
785-759-3520

District 9 SE Gary Kilgore
Chanute
620-431-0636

Administrator:

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





October 8, 2007

To the Commissioners
Kansas Grain Sorghum Commission
Paola, Kansas

Independent Auditors' Report

We have audited the accompanying statements of financial position of Kansas Grain Sorghum Commission (a quasi municipal entity) as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kansas Grain Sorghum Commission as of June 30, 2007 and 2006, and the changes in its net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants

Certified Public Accountants' Report

KANSAS GRAIN SORGHUM COMMISSION
 Paola, Kansas
 STATEMENTS OF FINANCIAL POSITION
 June 30,

	2007	2006
ASSETS		
Current Assets		
Cash in checking	\$ 354,633	\$ 427,468
TOTAL ASSETS	\$ 354,633	\$ 427,468
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 1,923	\$ 1,831
Net Assets	352,710	425,637
TOTAL LIABILITIES AND NET ASSETS	\$ 354,633	\$ 427,468

Financial Statements

The accompanying notes are an integral part of these financial statements.

KANSAS GRAIN SORGHUM COMMISSION

Paola, Kansas

STATEMENTS OF ACTIVITIES

For the Years Ended June 30,

	<u>2007</u>	<u>2006</u>
CHANGES IN NET ASSETS		
REVENUE		
Check-off collections	\$ 590,700	\$ 844,159
Interest income	15,603	11,354
Total Revenues	<u>\$ 606,303</u>	<u>\$ 855,513</u>
EXPENSES		
Refunds of check-off collections	\$ 26,155	\$ 32,896
Programs Investment		
Foreign Market Development	31,000	31,000
KGSPA	91,000	96,500
KSU Research	156,700	151,083
NGSP	225,000	205,000
KSU Sorghum Improvement Center	25,000	25,000
Production Research	-	150,000
Promotion	2,800	2,750
Special Projects	1,400	4,050
Administrative Expenses		
Administration	87,340	84,712
Commissioner travel	19,105	31,863
Contractor travel	8,365	14,846
Legal and accounting fees	2,900	2,900
Meeting expense	539	510
Postage and delivery	896	1,297
Bank fees	1,030	647
Total Expenses	<u>\$ 679,230</u>	<u>\$ 835,054</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (72,927)	\$ 20,459
NET ASSETS - BEGINNING OF YEAR	<u>425,637</u>	<u>405,178</u>
NET ASSETS - END OF YEAR	<u>\$ 352,710</u>	<u>\$ 425,637</u>

Financial Statements

**Grain Commodity Commissions Election Update
to
the Senate Agriculture Committee**

Kansas Department of Agriculture

January 29, 2008

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

District four includes Clay, Cloud, Jewell, Mitchell, Osborne, Ottawa, Phillips, Republic, Rooks, Smith and Washington counties.

District five includes Barton, Dickinson, Ellis, Ellsworth, Lincoln, McPherson, Marion, Rice, Rush, Russell and Saline counties.

District six includes Barber, Comanche, Edwards, Harper, Harvey, Kingman, Kiowa, Pawnee, Pratt, Reno, Sedgwick, Stafford and Sumner counties.

Candidates for the Kansas Corn Commission

District four – Mike Brzon, who grows corn, soybeans, sorghum and wheat in Republic County.

District five – Terry Vinduska, who grows corn, grain sorghum, soybeans, wheat and alfalfa in Marion County.

District six – Kent Moore, who grows corn, wheat and soybeans in Pratt County.

Candidates for the Kansas Grain Sorghum Commission

District four – William Greving, who grows corn, sorghum, wheat and hay in Phillips County.

District five – Clayton Short, who grows corn, sorghum, wheat and soybeans in Saline County.

District six – Dennis Siefkes, who grows corn, grain sorghum, soybeans and wheat in Stafford County.

District six – Jay Zimmerman, who grows grain sorghum and wheat in Sumner County.

Candidates for the Kansas Soybean Commission

District four – Steve Clanton, who grows corn, grain sorghum, soybeans, sunflowers and wheat in Ottawa County.

District five – Harold Kraus, who grows corn, grain sorghum, soybeans and wheat in Ellis County.

District six – Jerry Wyse, who grows wheat, corn, grain sorghum and soybeans in Reno County.

Candidates for the Kansas Sunflower Commission

There are no candidates running for commission positions in Districts 4, 5 or 6.

Candidates for the Kansas Wheat Commission

District four – Steve Clanton, who grows corn, grain sorghum, soybeans, sunflowers and wheat in Ottawa County.

District five – Dean Stoskopf, who grows wheat, grain sorghum and alfalfa in Barton County.

District six – Scott Van Allen, who grows sorghum and wheat in Sumner County.

Voting Process

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

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

Vacant Seat

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

Who Can Participate?

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