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Testimony on the State of Agriculture in Kansas to The Senate Agriculture Committee By Dale Rodman Kansas Department of Agriculture January 29, 2013

On this day, 152 years ago, Kansas became the 34th state in the union. At that time, families picked up and moved west to the new frontier. Kansas agriculture looks much different than it did in 1861 but with a constant focus on improvement and growth and with strong support for the industry, agriculture remains the largest economic driver in our state.

The Kansas Department of Agriculture, the nation's first department of agriculture, is focused on helping agriculture grow and succeed. Growth in agriculture equals job creation and statewide economic growth.

While agriculture, like other sectors of the economy, has experienced challenges in recent years, it has grown. Net farm income in 2011 totaled nearly \$5.2 billion, an increase from \$2.8 billion in 2010 according to USDA's Economic Research Service.

Exports of Kansas agricultural products totaled more than \$3.68 billion. This is a 35 percent growth over 2010 levels and accounted for nearly 32 percent of total Kansas exports. Growth in Kansas agricultural exports was a driving force behind overall export growth in our state.

As food demand, especially for protein, continues growing in expanding economies around the globe, there will be opportunity in international markets. While Kansas may have been an under-utilized asset in feeding the world in the past, today's dynamic agricultural sector is ready to meet the diverse and growing demand from our customers in the global marketplace.

In the past, the Kansas Department of Agriculture was largely a regulatory agency. The sun has set on that era and today we are on a mission to support and grow the entire agricultural community.

The second year of the integration of the Division of Conservation, Division of Animal Health and Agriculture Marketing into KDA continued providing positive results. There were further cost savings, but equally important was the utilization of skilled staff across these programs. This transition has increased the department's capabilities to deliver high quality service to Kansas agriculture.

In the past two years, we have undertaken a mission to modernize our practices and to reform the regulatory environment into an efficient system that protects consumers while also promoting success. We are in the middle of a multi-year project to transition all of our records and licenses to an online system.

Changing the culture of state government, eliminating unnecessary regulations and streamlining our work is not easy. But like the farmers and ranchers who have found a way to produce bountiful crops

Senate Agriculture Committee

Date: 1-29-13

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KDA Sec. Rodman

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in two consecutive years of drought, we are pushing forward to find solutions that work for our customers.

We are entering the third year of a historic drought. As we sit here on the 29th day of the new year, all 105 counties have are primary federal disaster areas. In 2012, production of corn, sorghum and soybeans were down by 16, 26 and 17 percent respectively compared to 2011.

Strong grain market prices and a robust federal crop insurance program helped grain farmers through the 2012 drought, but Kansas livestock producers felt the pinch of skyrocketing grain prices, forcing further liquidation of the cattle herd.

Kansas is the nation's third largest beef producing and processing state. If these trends don't change, this could mean lost jobs in Kansas. Just two weeks ago, a Cargill beef processing facility in Plainview, Texas, closed doors. Its president cited increased feed prices due to the prolonged drought, combined with herd liquidation, as major contributing factors to the decision to idle the plant that employed 2,000 people.

Plainview is not Kansas. But it is just 250 miles away and there are 25,000 Kansans who work in the beef processing sector. I am not here to incite fear, but at KDA, providing drought relief and assistance is a top priority. We can't make the rains come but we can work with our partner to help respond to and recover from this drought.

We can also learn from the past. Drought response in 2012 came sooner, was better organized and saw more cooperation than 2011. The drought response team is meeting regularly. We are working with all water users to help them prepare and avoid a water crisis if this drought persists. In 2011 and 2012, Governor Brownback signed executive orders to expedite hay delivery to drought-stricken livestock producers. In 2013, we want to make those exemptions automatic in drought emergencies.

KDA's Division of Conservation launched an innovative project to help landowners clean out ponds to improve water storage capacity. We have approved nearly 600 projects but there is more need. USDA caught word of this project and is launching a two-state pilot project with Kansas and Colorado to restore ponds.

Conserving water in times of drought is critical but that need doesn't stop when rains start. We need to develop strategic water conservation and management solutions today. We made progress in 2012 but we can do more. We want to further enhance the multi-year flex account program and allow locally-driven water conservation plans statewide. We need increased water storage in Eastern Kansas. In order to be successful in the future, we need more comprehensive, strategic water plans. And KDA is up to the challenge to lead that effort.

While challenges in agriculture are many, opportunities abound.

Growing animal agriculture will grow Kansas. We are already seeing the positive effects the growing dairy sector is having in Western Kansas. Expansion of the McCarty Family Farm has led to increased enrollment in the Golden Plains School District and regional economic growth.

Kansas is the nation's new dairy frontier but we can also be on the leading edge of meeting demand for pork and poultry. In Kansas, the climate is ideal for livestock production. Combine that with our vast open spaces, nutrient loading regulations and supportive communities and state government, and Kansas should be the final answer for animal agriculture.

We just need to ensure our laws are telling our potential business partners that we are open for business. Pork, dairy and poultry producers interested in relocating in Kansas have raised concerns with our state's corporate farming laws. We need your help to repeal those prohibitive, anti-growth laws.

Kansas is the nation's largest grain sorghum producer, growing more than 52 percent of the country's crop. But sorghum production in Kansas has dropped from 8 million acres in 1956 to 2.7 million today. There is tremendous opportunity to convert acres back to sorghum. It can be a source of feed for animals and it requires less water than corn or soybeans. Sixty percent of ethanol produced in Kansas comes from sorghum. And the approval of sorghum as an advanced biofuel is a game changer and will result in increased marketing opportunities.

But sorghum won't reach its potential without focused research. We need to improve sorghum yield capabilities, develop sorghum that is more tolerant to early planting and more weed and pest resilient and has a stronger stalk to withstand snowfall.

Governor Brownback understands this potential and has included \$2 million in his budget for sorghum research. This funding is contingent on matches from the National Sorghum Checkoff and the Great Plains Sorghum Improvement and Utilization Center at K-State. This public, private and industry partnership is critical to the future of sorghum in Kansas and to growth in agriculture.

When Kansas became a state 152 years ago, there was recognition of the need for education and training to improve the industry. That has not changed. Our farmers and ranchers have to produce more using fewer resources. The need for technology and precision agricultural practices is here to stay.

Our students need to be equipped with the skills and training to meet challenging demands, adapt as new technologies are presented and solve complex, challenging problems. Teaching those skills starts in rigorous career and technical educational experiences provided in classrooms, laboratories and workshops across the state.

In 1956 in a special message to Congress, President Eisenhower said, "The proper role of government, however, is that of partner with the farmer -- never his master. By every possible means we must develop and promote that partnership -- to the end that agriculture may continue to be a sound, enduring foundation for our economy and that farm living may be a profitable and satisfying experience."

That statement holds true today. The tasks ahead are many but with your support and in cooperation with KDA, Governor Brownback, other state agencies and with our state's farmers, ranchers, and agribusiness – we can grow Kansas through agriculture. We can make sure agriculture continues to be the state's largest economic driver.

I am at your service and will gladly answer questions.