

**Testimony in Support of HB 2168 to
The Senate Commerce Committee
By Josh Roe
Kansas Department of Agriculture
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Good morning Chairwoman Lynn and members of the committee, my name is Josh Roe and I am a deputy secretary at the Kansas Department of Agriculture (KDA). I am here to testify in support of HB 2168, enacting the Ad Astra Rural Jobs Act.

In 2015 KDA was tasked with developing a strategy to grow the agricultural industry in Kansas. As part of our agricultural growth strategy project, KDA staff have had the opportunity to participate in hundreds of meetings with more than 600 stakeholders across the agricultural industry: from traditional crop and livestock farmers, to companies producing cutting-edge remote sensing technology. During these meetings industry leaders have identified desired growth outcomes within the state's 19 agricultural sectors, and have outlined specific action items to achieve each one.

I have had the opportunity to lead the development of the agricultural technology and entrepreneurship strategy. One of the desired growth outcomes is to establish Kansas as a premier state for start-ups in agricultural technology and entrepreneurship by fostering a business environment that supports new and expanding businesses. While leading the development of this strategy, I have been engaged with business and community leaders from rural areas across the state.

A common challenge I have heard from entrepreneurs in rural areas is a lack of access to capital; specifically, access to financing for start-up companies, as they generally do not qualify for traditional agricultural lending. Other options need to be identified by looking inside the venture capital and start-up financing environments. Agricultural entrepreneurs have the ability to navigate these environments, but due to the lack of local financing options, many choose to locate their business in urban areas, oftentimes outside of the state.

HB 2168 provides a mechanism for applicable financing options for start-up companies in rural Kansas, without a perceived need for these entrepreneurs to relocate. A successful start-up company with \$500,000+ in annual sales and 3-4 employees is welcome in any part of the state, but in a small community that economic activity will have a much larger impact on the local economy. An economic impact study on the Ad Astra Rural Jobs Act, conducted by a Georgia Institute of Technology economist, estimates that every \$1 of output generated by these new businesses will generate an additional \$0.40 in economic impact in the rural economy. The average wage for these additional jobs is estimated at over \$24 per hour, where the average wage ranges from \$12-16.

Other regions in the country have established reputations as strongholds for agricultural technology entrepreneurs; Kansas must provide enticing incentives to keep these individuals in the state. KDA remains committed to providing these opportunities and we believe that programs such as the Ad Astra Rural Jobs Act will be a vital tool in developing and fostering a rural entrepreneurship ecosystem.

Thank you for the opportunity to speak with you today. I will stand for questions at the appropriate time.