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**Written Statement for
The Hearing from the Heartland: Perspectives on the 2018 Farm Bill from Kansas
By Jackie McClaskey, Kansas Secretary of Agriculture
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On behalf of the state of Kansas, I'm pleased to welcome you today and I'm glad to see so many people in attendance for this very important event. It is particularly meaningful to host this first Farm Bill hearing right here at Kansas State University, the first land-grant university, which still prides itself on leading the way in preparing the next generation of agriculture leaders. I am especially happy to welcome Senator Pat Roberts, a K-State graduate, a loyal Kansan and a respected advocate for the agriculture industry. Kansas is fortunate to be represented by a leader of this caliber who understands and respects the importance of agriculture. Senator Roberts has spent more than 30 years serving the needs of Kansas, first in the U.S. House of Representatives and then in the U.S. Senate since 1996. Senator Roberts was the first member of Congress in history to have chaired both the House Agriculture Committee and now the Senate committee. His position as Chairman of the Senate Agriculture Committee gives him a unique opportunity to be a voice for American agriculture.

Today provides an opportunity to look at the future of agriculture as it is addressed through the Farm Bill, and I appreciate that opportunity. As I do so, however, I want to go well beyond the subject of the Farm Bill itself, and share with you an update on the significant efforts being made here in Kansas as we work to grow agriculture. Our focus is on strategic growth, and while much of that requires work at the local level, it also highlights the critical need for federal partnerships on many levels and on many issues. I want to address some of those places where federal partnerships can make a significant difference to the farmers, ranchers and agribusinesses of Kansas.

Agriculture is Kansas' largest industry, employer and economic driver. Sixty-six agriculture, food and food processing sectors combine to provide nearly \$65 billion in total economic contribution to the state, approximately 43 percent of the total economy. The industry employs over 234,000 people, nearly 13 percent of the Kansas workforce. If food retail is included, the economic contribution rises to over \$74 billion, about 50 percent of the state economy, and employs nearly 20 percent of the workforce.

In Kansas, there are 46,137,295 acres of land. Farmland accounts for 88.9 percent of all Kansas land. More than 21 million acres in Kansas are harvested for crops and over 16 million acres serve as pastureland for grazing animals. In addition to growing crops and raising livestock, the Kansas agricultural sector includes renewable energy production, food processing, research and education, agribusiness, technology entrepreneurship, and many value-added enterprises. Between Columbia, Missouri, and Manhattan, Kansas, sits the single largest concentration of animal health interests in the world. Kansas farmers and ranchers make a global impact. In 2015, Kansas exported more than \$4.1 billion in agricultural products. The top five exports include wheat, beef and veal, soybeans, feed and forage, and corn.

Kansans embody the pioneer spirit that brought their forefathers to an uninhabited prairie to seek their fortunes in a new land. The values of hard work and achievement have stood the test of time in Kansas. The same pioneer spirit that converted Kansas from a vast sea of grassland into a major producer of our nation's food supply lives on today as we seek

new opportunities and relationships to improve the largest industry in our state. Kansans are known for their work ethic, valuing education and exhibiting a willingness to persevere through challenges.

In the light of depressed commodity prices, Kansas farmers, ranchers and agribusinesses face an abundance of challenges, but industry leaders clearly expressed the need to continue to look forward and plan for short- and long-term expansion of the state's agriculture industry. As the nation's agriculture industry positions itself for growth in order to meet the needs of a growing population with changing demands, Kansas is well-suited to be a home for that growth. Kansas has the right leaders and priorities and the right tools and resources to be a nationwide leader in agricultural growth.

The success of the Kansas economy is directly linked to the success of the agriculture industry. We know that to grow the Kansas economy, the agriculture industry must grow. Strategic industry growth requires communication, coordination and collaboration, so Kansas agricultural leaders have begun the process of developing a strategic growth plan for all sectors of agriculture, based on the opportunities in and the barriers to economic growth. In August 2016, the Governor's Summit on Agricultural Growth was held in Manhattan, Kansas, bringing together nearly 400 leaders from across industry sectors under one roof to talk about barriers, challenges, opportunities, growth goals and next steps. Feedback from that Summit, along with input from one-on-one meetings with industry leaders, has been compiled and utilized to develop desired objectives and action plans for each agricultural sector in Kansas. While some of these outcomes simply require government to let industry work and function, there are some that have a role for state government and some that will require cooperation with our partners in Congress and within federal agencies. Progress reports and continued focus on the future will take place at the next Summit, which will take place in August 2017.

As we look toward future growth opportunities for Kansas agriculture, we are fortunate to have a strong foundation on which to stand. Kansas was built on a values system of family, hard work, faith and entrepreneurship. Those values continue to be integrated into a pro-growth, pro-business, pro-agriculture culture. This small-town, family environment, combined with an innovative, proactive nature, is evident across the state. Maintaining that approach will require partners on a federal level, both in Congress and in the administration, who share the desire for pro-growth, pro-business policy.

Kansas is naturally suited for effective and efficient agricultural production. The semi-arid climate offers abundant sunshine, available moisture and irrigation and reasonable humidity, making for good growing seasons and harvesting conditions. Kansas takes pride in providing some of the best roads and rail systems in the nation. These transportation systems provide easy access to markets and make moving people and goods in the state simple and inexpensive.

The foresight of agriculture leaders has resulted in state-level regulatory standards and legislation that make Kansas a great place to farm, ranch and run a business. Environmental standards allow production agriculture and environmental preservation to work hand-in-hand. Kansas legislation protects animal agriculture against threats from activist groups focused on dismantling the industry because Kansas is not a ballot initiative state. Business-friendly tax exemptions, long-standing property tax policy, being a Right to Work state, and a business-friendly regulatory culture make Kansas "open for business."

Kansas is the home to Kansas State University — the first land-grant university in the U.S. — and Fort Hays State University. These institutions, along with the other Regents universities, community colleges and technical schools, are all key partners in growing the workforce needed to serve Kansas agriculture. In addition, career and technical education at the high school level, especially agricultural education programs, are growing and prospering.

The long-term availability of water in Kansas is dependent on local leadership, responsible use, management and policy development. In 2013, Kansas Governor Sam Brownback issued a call to action to develop a long-term plan for water in Kansas, which was followed by a comprehensive statewide effort to seek input throughout the state and to craft a plan. The resulting *Vision for the Future of Water Supply in Kansas* and the development of innovative water policies focused

on individual management and local control are helping extend the life of the Ogallala aquifer and the reservoir system to allow for long-term sustainable growth.

As the Kansas agriculture industry works toward economic expansion, we know that growth has barriers as well. Farmers, ranchers and agribusinesses must balance a lengthy list of challenges and variables, many of which they cannot control, as they work to grow and raise food for families across the globe. The variability of agriculture is inevitable. Weather extremes, volatile markets, diverse consumers, and lawmakers and regulators with less understanding about agriculture are factors the agricultural industry confronts and manages through on a daily basis. The role of the Kansas Department of Agriculture is to serve as a partner to the industry, eliminating unnecessary, overly burdensome, or outdated barriers to growth, and fostering an environment that encourages and welcomes expansion of the industry. Some of those challenges and opportunities can be addressed in the 2018 Farm Bill.

Kansas is poised to work collaboratively to help craft quality legislation aimed at serving our farmers and ranchers. Several specific items related to the Farm Bill and other federal issues and barriers were identified during the process of developing sector-specific desired outcomes for the state's strategic growth project, and those are listed in the attached document. They were based on direct input from stakeholders in the industry in one-on-one meetings and at the Summit.

Continuing to maintain a regulatory environment at the state level designed to help agriculture rather than hinder it, while looking for ways to improve and streamline state systems, is a must to further growth. More importantly, state government and industry must work together with the state's congressional leadership to push back against and, when possible, dismantle over-reaching, excessive, burdensome federal regulations targeted against agriculture. We are encouraged with initial actions taken by the Trump administration to reduce regulatory challenges and we will seek opportunities to work with the administration to eliminate barriers to growth that are due to overly burdensome and unnecessarily costly regulations or those that impede businesses or innovation in agriculture.

As spring planting approaches and as wheat begins to exit its stage of winter dormancy, Kansas farmers, much like farmers across the country, are entering into the fourth consecutive year of the current downturn in the agricultural economy. Average net farm incomes have plummeted from record levels of nearly \$160,000 to less than \$5,000 in 2015, with negative incomes predicted for 2016 and 2017. These levels have not been seen since the early 1980s. It is in times like these that risk management tools, including Title I commodity programs and federal crop insurance, need to kick in to provide the safety net they were designed to deliver.

Animal agriculture represents the largest segment of the Kansas agricultural industry, so a threat to animal health would be devastating to the Kansas economy. Foreign animal disease preparedness is a priority for the state. KDA has the lead responsibility within Kansas for an agricultural emergency response, and we intend to be the best prepared state in the country. In the last seven years, Kansas has held five major animal disease exercises, each involving more than 250 participants and including players from the county, state and federal levels, as well as from university and industry organizations. It is clear from these exercises that an effective animal disease response requires a realistic, executable plan that involves federal coordination of state responses and federal resources based on state needs and state implementation.

We are aware of the efforts being made to enhance availability of vaccines to address disease outbreaks, but vaccination funding should not be seen as a silver bullet. Throwing money at vaccine development does not address the practical challenges related to dissemination, or the response time lost while vaccines are being prepared. Additionally, the fact that the proposed amount of vaccines is clearly not enough if it is to be used in all species, and the potential problems with reopening international market access have not been fully considered. Serious discussion needs to occur among state and federal leaders, in addition to animal health officials, to develop a more realistic plan and approach. Vaccine is currently being sold as "the solution" and circumstances dictate that in a real situation it will be only one tool. We know the best way to stop the spread of the disease is to stop movement, so our approach in Kansas is very different from other states and from what is recommended by USDA: As soon as there is a presumptive positive FMD case, we're stopping

movement. We have seen the importance of stopping movement as well as traceability, and believe these elements are key to disease control, but they will only work if all affected states are working in concert. These are challenges we are continuously working to address both internally and with partners in industry, other states, and the federal government.

As the National Bio and Agro-Defense Facility (NBAF) continues construction in Manhattan, it reinforces the animal health sector in this region and confirms the state's prominence in the animal health and bioscience sector. This facility will strengthen our nation's ability to respond to animal disease events, and we support all efforts on a federal level to prioritize animal health, including conducting research, developing vaccines, diagnosing emerging diseases, training veterinarians, and developing countermeasures against large animal foreign animal diseases and zoonotic diseases.

Consumers across the state, nation and globe want to know more about where their food comes from and the story of the people who raised it. The agriculture industry must work together to provide an increasingly open and transparent food system that meets the needs of consumers and creates value-added benefits for farmers and ranchers. While these demands for a transparent food system can present a challenge to the status quo, this demand is also an opportunity to work with our partners in the industry to develop a voluntary traceability system that not only serves to enhance consumer confidence and trust but also to manage a disease outbreak, protect food safety, and potentially, provide opportunities to access export markets. We are prepared to move forward with federal partners to progressively address the feasibility of a national traceability system.

Robust support for agricultural research and extension is critical to the vitality of agriculture, both in Kansas and across the United States. As previously mentioned, Kansas State University is the nation's first land-grant university and it is an important partner in our state's agricultural industry. The research that is done at K-State leads to advancements in precision agricultural production practices, food safety, animal care, efficiency, and more. We know that research and development in agriculture are key to growing the industry, and we support expanded research in areas important to agriculture in Kansas, and continue to look for public/private partnerships which will advance this research.

Kansas is blessed with abundant natural resources, and it is necessary to continue to build private-public partnerships to protect and conserve the state's water supply and be good stewards of the land. We have seen success with voluntary conservation programs that are locally driven and provide flexibility to water users, and we support increased investment in those programs. Kansas has a track record of progressive and innovative protection of the important waters of the state, whether under federal jurisdiction or not, noting that not all waters are equally important. We are among the nation's top states in terms of sediment reduction and phosphorus reductions through best management and conservation practices. We have promoted federal policies which encourage conservation without penalizing qualification for crop insurance. We commend USDA Risk Management Agency for developing limited irrigation crop insurance coverage options for corn and soybean in counties over the Ogallala aquifer in Kansas. Allowing for states' administrative discretion without ubiquitous, counter-productive federal oversight, ensures the critical waters of the state, as well as the nation, will be protected.

We know that growing agriculture in Kansas means we need access to more markets around the globe. Access to international markets and expanded global market share is critical to nearly all agriculture sectors in Kansas. Public-private partnerships focused on gaining additional market access, along with national leadership in trade negotiations and partnership, are necessary for sustainable agricultural growth. During the past 12 months, while domestic commodity prices were low, exports of agricultural products were a high point in the industry. Expanding market access and increasing food and agricultural exports not only boosts farm receipts but create jobs here at home. We support efforts to open new doors for trade through bi-lateral and multi-lateral trade agreements that seek to level the playing field by eliminating tariff and non-tariff barriers to trade, and will continue working to build international relationships through focused trade missions.

The prosperity of agriculture is closely linked to the prosperity of rural communities. Continuously improving infrastructure in rural areas, whether that means rail access, rural housing, or broadband and mobile networks, is critical to rural development. Grants and other programs which support rural business development have been instrumental in providing opportunities for individuals, businesses and the state to prosper.

A challenge facing all of us in agriculture is ensuring we have an adequate workforce to meet our industry needs. In addition to leaders and innovators, it is essential to have a workforce that includes people willing to work in production and processing facilities, and the federal government must be a viable partner to meet that need in the workforce. Another potential source of workers we are interested in utilizing is our nation's heroes. More than two million veterans are transitioning out of active duty and looking to identify opportunities to make a living, and many of them have shown an interest in agriculture. This is an opportunity in Kansas and around the nation to address workforce challenges in the agriculture industry. Meeting workforce and talent demands in agriculture means we have to think creatively to identify willing, interested and capable employees for our farms, ranches and agribusinesses.

Though it's been just a few years since the 2014 Farm Bill was enacted, it has been anything but a quiet three years for the industry. Since 2014, farmers and ranchers across the nation have experienced droughts, floods and fires. They have seen markets at their highest point, and they have experienced fast declines in commodity and livestock prices. This diverse, rapidly changing, incredibly important industry is vital to the nation's economy and security. Agriculture is critical to the nation's food supply, natural resources, and public health and safety, and the decisions made today carry great weight as we preserve the future of American agriculture.

Despite the complex challenges facing the Kansas agriculture industry, the strength and commitment of the farmers, ranchers and agribusinesses of Kansas will continue to carry agriculture into the future to grow and thrive. As the state agency that supports this complex industry, the Kansas Department of Agriculture is committed to our Vision, *Kansas will provide an ideal environment for long-term, sustainable agricultural prosperity and statewide economic growth*. Through our collaborative efforts with industry organizations, academic institutions, and state and federal lawmakers, we know this Vision can become a reality.

The Kansas agricultural community has appreciated the many relationships that have been developed with our federal partners. We look forward to continuing those relationships and creating opportunities for new partnerships as we work together for a strong and prosperous future for agriculture.