

# Commitment to Growth

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# Vision

- To serve the Kansas farmers, ranchers, agribusinesses and their customers/consumers
- Providing an environment that enhances and encourages economic growth of the agriculture industry and the Kansas economy



- Advocating for and promoting the agriculture industry
- Helping to:
  - ensure a safe food supply
  - protecting natural resources
  - promoting public health and safety
  - protecting animal health
  - protecting consumers



# Agricultural Economic Impact

- 66 ag sectors have an output of \$63 billion and support 229,934 jobs
- 43% of the Kansas economy is derived from agriculture
- 12% of the workforce



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# Value Added Economic Impact

- Value-added agriculture directly contributes \$47 billion and supports 162,493 jobs
- 32.3% of the Kansas economy
- 9% of the workforce



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# 8 County Area Pet Food Summary

- These counties are representative of the industry and have a total economic impact of \$7 billion and employ 19,432 workers



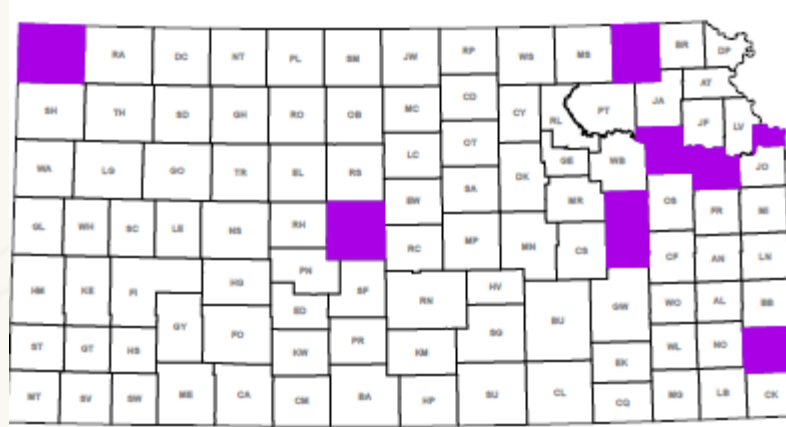
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# County Map of Ag & Value Added





# Pet Food Industry

- Pet food manufacturers located within the Kansas City (KC) Animal Health Corridor represent 61% of the total pet food sold in the United States.
- The pet food companies located in Kansas contribute \$7.24 billion to the economy.

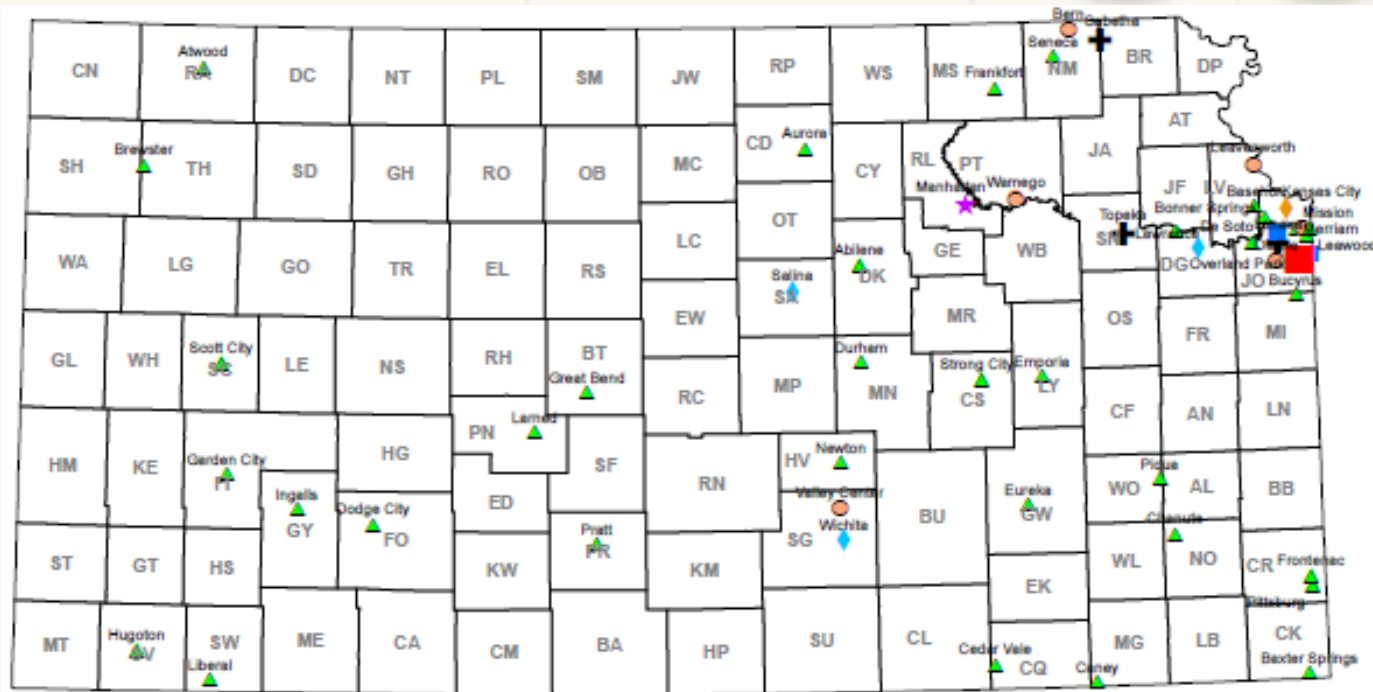


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# Logistical Advantages

- Centrally located in the U.S.
- Kansas transportation corridors access global markets
  - Superb interstate and highway system
  - Kansas City – home of the U.S.'s largest intermodal rail station
  - Kansas' short line rail system
  - Access to airports – Wichita and Kansas City





# Agricultural Marketing

- To serve all Kansans through innovative programming and delivering solutions designed to create an environment that facilitates growth and expansion in agriculture while increasing pride in and awareness of the state's largest industry – agriculture.



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# Agribusiness Development

- Who?
- What?
- Why?



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# Business Development Partnerships

- Kansas Department of Commerce
- Kansas Department of Transportation
- Local and Regional Economic Developers



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- Site Developers
- Natural resources
- Utility companies
- Workforce development



# Incentive Programs

- New Income Tax Reform
- Promoting Employment Across Kansas
- Workforce Training Grants
- High Performance Incentive Program
- Kansas Sales Tax Exemptions
- Machinery & Equipment Tax Exemption



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# Promoting Employment Across Kansas (PEAK)

- Withholding Tax Retention Program
- Median Wage
- Relocations and expansions



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# Workforce Assistance

- **Kansas Industrial Training (KIT)** - Companies creating new jobs may qualify for assistance to offset training costs.



# Workforce Assistance

- **Kansas Industrial Retraining (KIR)** – job retention tool for qualifying companies



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# High Performance Incentive Program (HPIP)

- 10% capital investment tax credit/sales tax exemption
- 100% of state corporate income tax liability can be eliminated each year
- Pay above-average salaries/train workforce



# Kansas Tax Exemptions

- Property Tax Exemption on Machinery & Equipment- Commercial and industrial machinery and equipment purchased, leased or moved into Kansas (after July 2006) is exempt from property tax.
- Inventory Tax Exemption - Business inventories (raw materials, goods-in-process and finished goods) are exempt from property tax.

# Success Story

- Simmons Pet Food – Emporia, KS
  - Local, regional and state interaction
  - Workforce development





# Kansas- Friend Not Foe In Regulation

- Commitment from Kansas
- Common-Sense Licensing
- Compliance Education
- Reasonable and Progressive Enforcement
- Being a good partner



# Commitment from Kansas

- Pet food businesses grow and prosper
- Interests of Kansas and industry are considered in state and federal policy decisions
- Streamlined, customer-friendly interaction with the agency



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# Common-Sense Licensing

- Pet food companies are required to obtain a license if they are: selling or exposing for sale or distribution in Kansas
- \$10 license
- \$0.09 per ton fee
- If only sold in small packages, then no tonnage fee:
  - \$25 annual fee for 10 pound or less package size
  - \$15 annual fee for 1 pound or less package size





# Compliance Education

- Regular industry interaction
- Focus on education before regulation
- Partnership with Kansas State University



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# Reasonable and Progressive Enforcement

What licensed pet food businesses can expect:

- Inspection at least once every 3 years
- Sampling of product for laboratory analysis
- Assistance in making any needed corrections before re-inspection



# Being a Good Partner

- Sorghum is a great example of where we partner for growth
- #1 Pet food state and #1 sorghum state
- Making the connection between the two



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# Sorghum and Pet Food

- Sorghum is a good grain for areas of Kansas with water constraints
- Primary markets have been export, livestock feed and ethanol
- Growing interest in pet food



# Sorghum in Pet Food

- Whole grain goodness
- Antioxidants
- Dietary fiber
- High mineral content
- Quality proteins
- Easily processed and extruded
- Uses less water to grow



# Being a Good Partner

- Access to protein
- Top 3 beef producing states
  - Strong pork and poultry as well
  - Over 5 billion pounds of protein per year plus associated by-products



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# Being a Good Partner

- Kansas State University
  - Grain Science Dept.
  - International Grains Program Institute
  - Value-Added Foods Lab
  - Food Science Institute
- American Institute of Baking





# Committed to Growing the Pet Food Industry



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