



# **Kansas Grain Sorghum Commission**

## **2013 Annual Report**

**Vision:** The Kansas Grain Sorghum Commission is focused on increasing grain sorghum profitability and being recognized as a valuable asset by the Kansas grain sorghum producer.

**Mission:** The Kansas Grain Sorghum Commission directs the investment of funds generated by the grain sorghum check-off to enhance the profitability of the Kansas grain sorghum producer.

**From the Chairman of the Kansas Grain Sorghum Commission...** Clayton Short, 2nd generation sorghum producer from Assaria, KS. Clayton states, "Grain Sorghum has become the topic of conversation among Kansas producers with the ongoing drought. Farmers are excited about the water conserving crop helping them through the challenging weather conditions of the past two years. Farmers continue to demand yield improvement, better herbicide choices, stronger crop growth and maturity traits. There is a lot happening with Grain Sorghum, and the Commission is aggressively funding research and other projects that are helping in production and marketing of the crop for the Kansas farmer."

### **Kansas Passback Dollars**

The United Sorghum Checkoff Program (USCP) distributes national checkoff dollars based on a percentage of production to those states that have been approved by USDA as qualified state organizations. These states use the funds for additional research, market development and education and will work in conjunction with USCP to benefit the local producer. Kansas is the largest state in collections at 51%; USCP passed back 25% of the collections for FY2012 for a total of \$863,052 to the KGSC. FY 2011-25% for a total of \$1,110,049.67, FY 2010 - 25% for a total of \$855,655.59 and 18% of the collections in FY2009 for a total of \$557,104. This means that Kansas collections as a percentage of the total collections for FY2012 = 51 percent, FY2011 = 52 percent, FY2010 = 54 percent and FY2009 = 43 percent. We did see a decrease in collections due to a decrease in bushels.

The KGSC approved research funding of \$576,429.00, market promotion of \$45,500 and education funds of \$9,589. (See full list of projects funded on page 3.) Research contracts follow the commission's fiscal year, starting on October 1, 2012 and will be completed on September 30, 2013. The commission will hold funds in reserve for the upcoming year due to drought concerns; they wanted to make sure there is funding available to continue some of the research projects even if the passback dollars decline in the upcoming year.

The commission continues to fund research with the Kansas sorghum producer in mind. Kansas State University researchers continue to work on increasing yields as well as weed and grass control along with drought and cold tolerant traits.

***Kansas continues to rank first in grain sorghum production in the United States with over 50 percent of the market. Kansas production totaled 81.9 million bushels in 2012, a decrease from last year. The Kansas Grain Sorghum Commission continues to work with research groups to find ways to increase sorghum production in Kansas, as it is a vital part of the Kansas economy.***

House Agriculture & Natural Resources Committee

Kansas Grain Sorghum Commission – 795 22<sup>nd</sup> Rd, Lebo, KS 66856, (785) 341-643

Date 3-18-2013

Attachment # 1

**Leadership Sorghum** The National Sorghum Checkoff (USCP) launched a new program in 2012 to develop the next generation of leaders for the sorghum industry. Leadership Sorghum is a program created to expose sorghum farmer participants to various aspects of the sorghum industry through hands-on and classroom style education. Participants will gain a better understanding of how sorghum moves through the value chain, how checkoffs and interest organizations interact on behalf of the industry, and what the future holds for the crops. The Leadership Sorghum Class is a 16 month, five session program. It began in September of 2012 and runs through December 2013. Kansas is proud to have a very strong first class. Class I Kansas participants are Tanner Ehmke, Healy; Stephen Bigge, Stockton; Josh Levin, Kensington; Pat Damman, Clifton; Matt Splitter, Lyons; Martin Kerschen, Garden Plain; and Shayne Suppes, Dighton.



### **Referendum**

The USDA Sorghum Promotion, Research and Information order requires that a referendum be conducted no later than three years after the beginning of assessments. The order requires a simple majority vote in favor of the program for it to continue. Sorghum producers had the opportunity to vote in the month of February 2011 whether or not to continue the United Sorghum Checkoff Program. In Kansas 57 percent voted in favor of the checkoff program. In total 76 percent of United States sorghum farmers voted to continue the USCP. The next referendum will be in 2015.

**United Sorghum Checkoff Program (USCP)** The USCP board is comprised of 13 sorghum producers. Five of those board members are from Kansas. Two USCP board members are also KGSC board members; Jeff Casten, Quenemo, KS and Bill Greving, Prairie View, KS. Greg Shelor, Minneola, KS and Earl Roemer from Healy, KS serve on the Kansas Grain Sorghum Producers Association board. Adam Baldwin is from McPherson, KS also represents Kansas on the USCP Board. Kansas is fortunate to have our leaders involved at the national level. USCP has one staff member in Kansas, Bradley Goering, Regional Field Services Director. Bradley works very closely with the commission in promoting and marketing sorghum in the state.

We are also very lucky to have Kansas representation on the three committees that USCP formed last year.

- Crop Improvement Committee – Kraig Roozeboom, KS, Manhattan; Martin Kerschen, Garden Plains
- Renewables Committee – Matt Durler, Conestoga Energy Partners, LLC, Liberal
- High Value Committee – Jay O’Neil, IGP KSU, Manhattan

Learn more about the USCP at [www.sorghumcheckoff.com](http://www.sorghumcheckoff.com).

### **Sorghum Market Distribution**

The U.S. sorghum industry is comprised of a variety of markets: Ethanol has increased to 45%; feed has decreased from 28% to 25%. Exports decreased to 24%. The balance of the market has shown an increase in food aid to 4% and seed production to 2%.

<b>Research Project Title</b>	<b>PI</b>	<b>Amounts</b>
Evaluate Advanced Breeding Lines and Germplasm to Develop New Parental Lines for Cold Tolerance in Sorghum	Aiken, Co -Perumal, Co -Little	\$ 30,000.00
Screening Exotic Sorghum Germplasm to Identify New Sources of Stalk Rot Resistance	Little, Co -Tesso & Perumal	\$ 39,759.00
Improving Yield Potential of Grain Sorghum through Drought and Heat Tolerance	Prasad, Co - Tesso & Perumal	\$ 52,000.00
Development of Sorghum Parental (A/B and R) lines with Enhanced Drought Tolerance and Higher Grain Yield	Perumal	\$ 77,000.00
Breeding Sorghum for Improved Production and Utilization	Tesso	\$ 83,200.00
Development and Utilization of Sorghum as Feedstock for Biofuel Production	Wang, Tesso	\$ 25,000.00
Genetic Analysis of Drought Tolerance in Grain Sorghum	Yu, Prasad, Tesso	\$ 57,250.00
Maximizing Sorghum Yield and Profitability through Efficient N Fertilization	Mengel	\$ 31,302.00
Sorghum Hybrid and Wheat Variety Traits for Planting Wheat after Sorghum in No-till	Roozeboom, Co-Jennings	\$ 18,835.00
Effect of Manure, Iron, and Zinc Application Methods on Grain Sorghum	Ruiz Diaz, Co PI - Holman	\$ 21,250.00
Evaluation of Palmer amaranth and Waterhemp Resistances to Multiple Herbicides in Grain Sorghum	Jugulum, Stahlman	\$ 28,000.00
Managing Difficult Broadleaf and Grass Weeds Season Long in Grain Sorghum	Thompson, Peterson, Schlegel	\$ 9,000.00
Expansion and Validation of an Automated Trapping System for Monitoring Sorghum Headworm	McCornack	\$ 10,000.00
Effect of Chinch Bug Feeding and Drought on Sorghum Stand Establishment and Yield	Smith, McCornack, Whitworth	\$ 22,333.00
K-State Center for Sorghum Improvement		\$ 50,000.00
Development of Long Term USDA-ARS-PSGD Sorghum Breeding Presence in Kansas	Hayes - USDA ARS	\$ 21,500.00
<b>Total Research</b>		<b>\$ 576,429.00</b>
<b>Market Promotion</b>		
US Grain Council		\$ 20,000.00
Market Development Grant - IGP		\$ 20,000.00
KARL Program		\$ 2,500.00
Kansas FFA Foundation		\$ 3,000.00
<b>Total Market Promotion</b>		<b>\$ 45,500.00</b>
<b>Education</b>		
Sorghum Production Schools for Kansas	Roozeboom, Thompson	\$ 7,089.00
Kansas Foundation for Ag in Classroom	Musick	\$ 2,500.00
<b>Total Education</b>		<b>\$ 9,589.00</b>

### International Grain Program (IGP)

The IGP mission is to provide innovative and relevant education and technical programs to enhance the market preference, consumption and utilization of U.S. cereal grains, oilseeds and their value-added products for the global grain industry. KGSC continues to support IGP in its activities. In 2012, IGP hosted the Japanese Sorghum course sponsored by ASA-IM USGC for six participants. IGP also hosted 25 participants in two sorghum-related workshops, which offered basic and advanced sections. Those included Grain Purchasing and Risk Management where there were participants from Barbados, Colombia, El Salvador, Korea, Dominican Republic, South Africa, United States, Zambia, Japan and Switzerland. In addition, IGP hosted several courses in partnership with the U.S. Grains Council, of which KGSC is a member.

### U.S. Grain Council (USGC)

The growing global middle class continues to permeate business for the primary target opportunity for growth. As global economies improve, commodities like sorghum will prove to be a valuable resource. All over the world, people are switching from a plant starch based diet to an animal protein based diet. Sorghum producers of Kansas are uniquely positioned to capitalize on this rapidly growing trend. Once weather conditions normalize, record grain production will inundate rural elevators. However intense market education and trading sophistication is necessary to elevate new and old partners alike for them to take advantage on the US farmers' incredible productivity. To that end, the US Grains Council partnered with Kansas Grain Sorghum Producers, to escort a team of Japanese traders and importers through Kansas in order to educate them on the condition of the sorghum crop, as well as sorghum procurement strategies presented by IGP. "This team represented a terrific opportunity for sorghum producers to meet face to face with one of their largest end users. Japan typically represents the second largest export market for sorghum and their business is invaluable," remarked Kevin Roepke of the US Grains Council, based in Washington DC. "Participants got the opportunity to interview livestock feeders as to why they prefer to feed sorghum and producers, like Jeff Casten, as to why they prefer to grow sorghum. It was a premium experience from the beginning of the supply chain all the way to end, and one that will reap dividends once weather conditions normalize."



### Field Staff in Western Kansas

The commission hired Field Staff person, Dean Whitehill from Garden City, KS in January 2013. Dean's location will be a great asset to the commission. Dean will assist the commission by visiting with producers, attending meetings, working with researchers, and many other duties. We are very excited to have Dean on staff.

### Kansas Commissioners

**District 1** – Lonnie Wilson, Colby; **District 2** - Greg Graff, Marienthal; **District 3** - Boyd Funk, Garden City, Secretary / Treasurer; **District 4** - Bill Greving, Prairie View; **District 5** – Clayton Short, Assaria, Chairman; **District 6** - Dennis Siefkes, Hudson; **District 7** - Kurt Staggenborg, Marysville; **District 8** - Jeff Casten, Quenemo, Vice-chairperson; **District 9** - Gary Kilgore, Chanute.

**Administrator** - Jill Barnhardt, 795 22<sup>nd</sup> Rd, Lebo, KS 66856, (785) 341-6433, [jill@ksgrainsorghum.org](mailto:jill@ksgrainsorghum.org)

**Field Staff** - Dean Whitehill, Garden City, KS, [dean@ksgrainsorghum.org](mailto:dean@ksgrainsorghum.org)

**KANSAS GRAIN SORGHUM COMMISSION**

Lebo, Kansas

**FINANCIAL STATEMENTS**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

September 30, 2012 and 2011

**KANSAS GRAIN SORGHUM COMMISSION**  
 Lebo, Kansas  
**STATEMENTS OF NET ASSETS**  
 September 30,

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash in checking	\$ 592,202	\$ 241,597
<b>TOTAL ASSETS</b>	<b>\$ 592,202</b>	<b>\$ 241,597</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>	\$ -	\$ -
<b>Unrestricted Net Assets</b>	\$ 592,202	\$ 241,597
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 592,202</b>	<b>\$ 241,597</b>

Financial Statements

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**KANSAS GRAIN SORGHUM COMMISSION**  
 Lebo, Kansas  
**STATEMENTS OF CASH FLOWS**  
 For the Years Ended September 30,

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 350,605	\$ (61,718)
<b>NET INCREASE (DECREASE) IN CASH</b>	\$ 350,605	\$ (61,718)
<b>CASH BALANCE - BEGINNING OF FISCAL YEAR</b>	241,597	303,315
<b>CASH BALANCE - END OF FISCAL YEAR</b>	\$ 592,202	\$ 241,597
 <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

Financial Statements

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**KANSAS GRAIN SORGHUM COMMISSION**  
Lebo, Kansas  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
September 30, 2012 and 2011

**Note 3: Research Contracts**

The Commission contracts with Kansas State University (KSU) for research activities each fiscal year. The final payment on these contracts is due upon the Commission's receipt of KSU's final activity report and final expenditure report. Because these reports had not been received as of September 30, 2012 and 2011, no liabilities have been accrued as of September 30, 2012 and 2011, respectively.

On November 30, 2012, the Commission paid \$129,508 as final payment for open research contracts related to fiscal year 2012.

On November 14, 2011, the Commission paid \$101,197 as final payment for open research contracts related to fiscal year 2011.

**Note 4: Commitments**

During 2012, the Commission approved a \$45,000 appropriation for renovation of the multi-purpose room at the KSU International Grains Program.

As of September 30, 2012, the Commission has paid \$32,194 towards this project leaving an outstanding commitment of \$12,606.