



SOYBEANS

& OTHER OILSEEDS

The Kansas oilseed sector of the Kansas agricultural industry includes the production of soybeans, sunflower, canola and industrial hemp in addition to the first purchaser users of these oilseeds, like crushers, refiners, and biodiesel and renewable diesel manufacturers along with industrial hemp extractors. The oil produced from these seeds goes into a variety of products from vegetable oil to other food products and even fuels.

The co-products from the production of this oil are also an important part of the oilseed sector, as soybean meal is a major ingredient in the livestock feeding business. Oilseeds are a successful crop in dryland and irrigated regions of Kansas, and advancements through genetics and crop management continue to make them even more efficient. Demand is strong for oilseed products both domestically and internationally, and production would grow even more if Kansas had additional processing options in the state.

The 2023 growing season marks the third year of the commercial industrial hemp program. Growers continue to be licensed through the Kansas

Department of Agriculture. Licensed growers, industry representatives, elected officials, and KDA staff met twice in 2022 to discuss opportunities to move the industry forward in the state. The lack of manufacturing in Kansas is an obstacle to growth, thus limiting the number of acres grown.

Although great potential exists in the oilseed sector, several challenges still present barriers to growth. The lack of additional processing plants means oilseeds are shipped out of state for further processing, leading to lower prices at the farm level. Declining water in some regions of the state is a threat to growers, and advancements that aim to make soybean production more water-efficient have fallen prey to negative consumer perceptions of biotechnology.

Efforts to recruit new businesses, especially first purchasers and processing plants, would benefit current and future growers. Collaboration with industry organizations and agricultural researchers could contribute to technological advancements and public outreach, which will need to work together.

Status

In 2022, Kansas ranked 9th in soybean production with 189.6 million bushels, 4th in sunflower production with over 52.8 million pounds, and 6th in canola production with 7.8 million pounds. The state currently has two soybean crush facilities with a third being built, with another multi-purpose soybean/canola crush facility under construction. The oil goes into familiar products such as vegetable oil for all manner of food products and oil for biodiesel and renewable diesel. There were 980 acres of industrial hemp planted in 2022, with just over half of those acres harvested by 40 licensed growers.

According to estimates prepared by the Kansas Department of Agriculture and based on the IMPLAN economic data model, the soybean and other oilseed industry in Kansas has a direct output of \$2.5 billion and creates 1,872 jobs in the state. Through indirect and induced impacts, the industry supports a total of 9,126 jobs and creates a total economic contribution of approximately \$3.82 billion.

The pro-business climate makes Kansas a prime location for oilseed processing to expand. The climate would be improved by an increase in the resources available to farmers to help support the production of alternative oilseeds such as sunflowers, canola and industrial hemp. The genetic technology to make more acres in Kansas suitable for soybean production would also benefit this sector. Increased biodiesel and renewable diesel production and consumption with efforts similar to those employed for ethanol production would increase demand for this product as well.

Successes

- In March 2023, Scoular announced the company will recommission a former sunflower crush plant in Goodland. Scoular plans to convert it into a dual oilseed crush plant for soybeans and canola. Operations are expected to begin in fall 2024 and up to 40 new jobs will be created.
- New research at K-State will look into developing winter canola varieties designed specifically for the cover crop seed industry. The use of cover crops in Kansas cropping systems continues to grow and having a reliable, readily available seed supply is critical. This research is supported by the USDA.
- In its final rule released on Dec. 1, 2022, the EPA created a canola oil fuel pathways under the Renewable Fuel Standard for renewable diesel, jet fuel, naphtha, liquified petroleum gas (LPG) and heating oil produced via a hydrotreating process.
- In July 2022, KDA coordinated an outreach event on the current status of the industrial hemp industry in Kansas. The event was held in Salina with over 70 in attendance, including industry leaders, elected officials, licensed growers and those interested in the growth of the industrial hemp industry. A follow-up meeting was held in December in Abilene. Common goals for 2023 were identified by industry leaders.
- Bartlett announced plans to build a \$325 million soybean crushing facility in Montgomery County. The new operation is expected to be able to handle about 38.5 million bushels of soybeans each year, or about 110,000 bushels per day. It also creates job opportunities for the facility itself and for companies involved in its construction.
- Kansas Farm Food Connection, a coalition of over 10 agriculture organizations, sent out 250 Farm Food Crates to help Kansas families see, taste, smell and experience Kansas agriculture in their own homes. The project reached over 70,000 people in 2021 and over 210,000 people in 2022.
- The U.S. market utilized more than 3 billion gallons of biodiesel and renewable diesel for the first time ever in 2020 and did so again in 2021. North American oilseeds continue to be the primary feedstock for production of these cleaner renewable fuels. Biofuels producers utilized 9 billion pounds of soybean oil alone in 2021.