

Consolidated Notes from Equipment & Technology Sector Workshop

August 30, 2016

General conversation that occurred during the breakout session

- General welcome from Assistant Secretary Josh Roe. Introduction from ag industry equipment champion Mike Bergmeier, owner of Shield Ag. Ag is the state's economic backbone — accounts for 43% of the state's economy. 9.3 billion people by 2050. 2.5 billion more people than today. Why do we care about population growth? The math is really easy? Just count calories. We call it 3rd grade math. Takes 325m metric tons of global grains to feed every 1 billion people. The larger the population, the bigger the number gets. Ahead of the game this year due to massive yields. Manufacturers have to have technology, hardware, and software in order to produce these feedstuffs on limited land. In Kansas our Ag manufacturing sector included lots of small companies. It's a little scary to think of the Kansas based mid-majors where the wealth leaves the state. Must be able to adequately serve the industry and have huge opportunities to leverage growth and opportunities.

Top priorities from session

- Overall Growth: Kansas should become an innovative state/export assistance and trade show assistance
- Barriers to Growth: Human capital/human resources
- Untapped Opportunities: Increased partnerships, include in college level, marketing communication & outreach

What does growth look like to you? What should our industry goals be?

- Software and security development happens in Kansas, not outsourced to the coasts. (Innovative state)
- Export incentive and trade show assistance
- Leverage equipment dealers
 - rural employment and investment
 - improve farmer efficiency and productivity
 - Ag retailer and crop advisor more effective with technology utilization
- Kansas is seen as the place to start and/or expand equipment and technology companies.
- Increased income for equipment and technology businesses through increased exports, industry associations and marketing.

- #1 clientele is Ag. Software development, security development. Instead of going to the coast we need to become an innovator and take the technology to them.
- As a small manufacturer it is a mountain of paperwork. Going to trade shows in foreign countries, have to go there multiple times to establish contracts, contacts, etc.
- Export assistance has been a wonderful opportunity and it is worth it and a good program. Would be good to be able to go to same show multiple times.

Identify Kansas' advantages.

- Abundant farm ground (46.1 million acres)
- Technology, community and 4-year college network
- Opportunity for strategic partnerships with existing companies
- Strong high school ag programs that prepare students for the next level or immediate employment
- R & D to validate and verify benefits of technology to reduce cost, increase yields

Identify barriers to growth.

- Adequate people resources/human capital
- Lack of industry association at the state level to promote Kansas companies
 - What would this look like?
- No strategic technology vision
- Volatile domestic sales due to markets and “brand purists”
- International trade policies — lack of support for TPP
- Cost of customer acquisition and education — educating the end user on how it is beneficial to them. You can have a great product, but if they don't know how to use it, they aren't going to.

- Real challenge in Kansas, especially in high tech. Don't encourage people in these trades early enough in their careers. High percentages of people who go to college don't make it. Doing a disservice to not show them opportunities in other trades that could support manufacturing.
- Western Kansas Manufacturers Association is essentially a private business.
- Identified North Dakota, Big Iron Show. North Dakota does millions of dollars in business overseas because of this.
- Reach out to local Ag program. Make sure that they are aware of the opportunities available with your company.

Identify untapped opportunities and ideas for growth.

- “Soft” incentives to encourage business development (mentorships, apprenticeships, guidance on raising private capital)
- Include the equipment technology in the college level as well — integrating into the curriculum for more opportunities
- Establish career partnerships between companies and high school programs
- State industry associations to promote Kansas equipment
- Economic incentives specific to equipment and technology companies
- Marketing, communications, and outreach

- Don't just focus on your Ag students, recruit science, technology, etc. to work in ag equipment.

What do we do next? What's our action plan?

- Annual ag summit
 - Form a coalition and develop a plan.
 - Work with DOE on career development
 - Assist small businesses
 - Incorporate technology in education.
 - Market agriculture opportunities to students
-
- Responsibility is tough to identify. Who will accept? We need a coalition. To get this, we need an annual event. Need to take this momentum to turn into a coalition, turn into a plan, and that is a great place to start. Has to be more than a one-time, one-shot deal. People from different levels that can report back on progress.
 - Is there a coalition of the Ag agencies that serve all the state of Kansas? Had trouble with who owned it in the Wichita/Sedgwick County area. Has to start with Ag agencies that serve the state.
 - Kansas Global Trade Services — focused solely on the Wichita metro area. Could use the marketing/export assistance. Need to maximize scarce resources. Utilizing existing platforms.
 - Education and employment resources and change in dynamic of farming need. Ability of having youth educated.
 - Getting younger kids interested in the economy of Kansas. Suggested working with Kansas Department of Education and curriculum that they are working on. Classes in high school that are more beneficial and hopefully changing parents' concepts of college vs. trade schools.
 - Trade show assistance harder for smaller companies due to paperwork and limited resources. Technology that is truly strategic for the state of Kansas (strip till technology example).
 - Wasn't in FFA, but he was in computer science. Could have an alliance.
 - Kids are being marketed to. Need to find a way to attract kids for more opportunities.