



# POULTRY

Following the 2016 Governor's Summit on Agricultural Growth, the Kansas poultry industry received attention by groups outside of the state who also see growth potential. Within four months of the Summit, a business development site consultant made contact regarding this agriculture sector. This inbound communication was the beginning of active development for statutes and regulations that define and support growth of the Kansas poultry industry.

Compared to more traditional livestock production in Kansas, the poultry industry is relatively small and unknown. Kansas is home to some innovative and high-value egg laying and poultry genetics companies, however, opening the door for expansion in the poultry sector. Poultry operations require relatively less land than other livestock, and Kansas is home to abundant poultry feedstock supplies. Other factors contribute to Kansas' appeal to the poultry industry, including effective freight and warehouse infrastructure and strong leadership in education and policy relating to the poultry sector. Kansas has shown leadership in proactive preparation for possible disease outbreak events.

Along with the numerous advantages Kansas offers the poultry industry, several challenges exist as well, which pose potential barriers to growth. The lack of in-state processing facilities means poultry farms have to ship out of state for processing, which adds expense to the bottom line. Several issues could improve the outlook for poultry production, including some relating to water use, shipping efficiencies and international trade. Because poultry is still a growing sector in Kansas, potential producers may be hesitant to invest in what they may see as an uncertain or simply unknown sector in the state.

To realize the potential growth in the poultry industry, key Kansas partners must continue to provide input and discussion to develop a long-term growth strategy. Efforts are being made to increase public education, industry outreach, and active collaboration between public and private stakeholders. This cooperative effort toward investment in the poultry strategic growth plan will result in long-term success for the poultry industry in Kansas.

# STATUS

The poultry industry in Kansas is ranked 34th in the nation in terms of egg and poultry meat sales according to the latest Census of Agriculture. According to a Kansas Department of Agriculture IMPLAN economic model, the estimated direct impact of the poultry and egg production and poultry processing sectors is \$121.3 million in output and 226 jobs. Including indirect and induced effects, the total impact of the sectors on the Kansas economy reaches \$209.3 million in output and 585 jobs.

Compared to more traditional livestock production in Kansas the poultry industry is relatively small. However, Kansas is home to innovative and high-value egg laying and poultry genetics companies. Southeast Kansas is home to broiler turkey production while a majority of the state's egg production arises from one company in central Kansas.

Readily available feedstock (corn, soybeans and sorghum) and land resources paired with relatively small land requirements, short-term return on investment of poultry facilities and a pro-business climate make Kansas a prime location for the poultry industry to expand.

# OPPORTUNITIES

In order to develop a strategic growth plan for the poultry industry it is important to understand the areas where Kansas has a comparative advantage and the best opportunities for growth or expansion.

Factor	Implications for Growth and Development Opportunities
<b>Biosecurity</b>	KDA, in conjunction with county government and law enforcement, led the highly pathogenic avian influenza (HPAI) response in the spring of 2015. This response dealt with a confirmed positive case in a backyard flock in the state as well as response from being within the quarantine area of a Missouri location. Since this outbreak, the Division of Animal Health continues to perform HPAI surveillance testing at county fairs across the state as well as increased outreach and education across the state.
<b>Feed Supply and Land Availability</b>	Kansas is home to abundant poultry feedstock supplies including: <ul style="list-style-type: none"><li>• Corn and corn derived dried distiller's grains</li><li>• Sorghum and sorghum derived dried distiller's grains</li><li>• Soybeans and soybean meal</li></ul> Kansas has the third most farm land of any state, with roughly 87 percent devoted to agriculture. Poultry operations demand relatively less land than other animal facilities. These two factors together equate to a relatively available and affordable base for expanding operations compared to southeast states.

Factor	Implications for Growth and Development Opportunities
<p><b>Human Capital</b></p>	<p>The existing poultry industry in Kansas is seeking to expand, creating additional investment opportunities. Immigration remains a critical component for the Kansas agriculture sector — including animal processing.</p> <p>Kansas State University’s department of animal sciences and industry houses respected research and extension faculty in poultry and egg production, feed science, animal processing and food safety.</p>
<p><b>Policy Environment</b></p>	<p>Notable policy movement was accomplished on March 20, 2018, when Governor Jeff Colyer signed Senate Bill 405 into law. This bill passed through the legislature and set into statute guidelines related to animal conversion units, poultry facilities and confined feeding facilities.</p> <p>Also at the state level, Kansas worked closely with the poultry community to ensure that the Kansas poultry industry is protected from overreaching federal regulation. Former Governor Sam Brownback is on record via written letter to then-U.S. Department of Agriculture Secretary Tom Vilsack speaking out against proposed changes to the National Organic Egg Standards that would negatively impact the state’s organic egg producers. USDA issued a statement deciding not to impose additional regulatory requirements for organic producers and handlers effective May 13, 2018.</p> <p>At the federal level, Kansas is fortunate to have elected members of Congress who strongly support the agricultural industry. The Kansas congressional delegation will play an important role in influencing positive changes related to federal regulations or legislation, international trade, federal taxes, antibiotic use, poultry facility requirements, transportation rules, natural resources and more.</p>
<p><b>Supporting Infrastructure</b></p>	<p>The presence of a world-leading poultry genetic company makes for readily available access to the finest egg laying stock in the world.</p> <p>Kansas is home to the Logistics Park Kansas City (LPKC) freight facility in Edgerton with supporting cold storage warehouse infrastructure to handle more than 1 billion pounds of frozen meat products on an annual basis as well as ample capacity to ship other raw and value-added animal products worldwide.</p>
<p><b>Water</b></p>	<p>Kansas is taking significant proactive steps to preserve and extend the usable life of the water supply in Kansas. In recent years, voluntary, flexible and producer-driven water conservation tools including water technology farms have been implemented to help farmers and ranchers manage their water rights while continuing to raise crops or livestock. Additionally, Kansas has developed a <i>Vision for the Future of Water Supply in Kansas</i> with goals and specific action items to help ensure a reliable water supply while continuing to grow the economy.</p>

# CHALLENGES

While Kansas is poised for major expansion in the poultry sector, the following factors represent challenges serving as barriers to achieving the objective of the strategic growth plan.

Challenge	Details of Challenge
<b>Critical Infrastructure</b>	<p>A lack of adequate housing in rural areas compounds the issue of a shortage of agricultural workers.</p> <p>As poultry and egg producers and processors identify when and where to grow their presence, a key factor they will consider are utility rates. There are challenges with competitive utility rates in Kansas that have resulted in burdensome and unnecessarily high utility rates.</p>
<b>Industry Perception</b>	<p>Compared to southeast states, Kansas does not have a strong history in the poultry industry. Therefore, potential Kansas producers and investors may be hesitant to invest in poultry and egg production. Consumer perception of the poultry industry can be a roadblock to development; increasing consumer outreach and education in addition to potential grower education is necessary to further develop the Kansas poultry industry.</p>
<b>International Trade</b>	<p>Access to international markets for poultry products is key to growing the industry as is basing trade agreements on internationally recognized, science-based standards with regard to sanitary and phyto-sanitary measures. Resistance to free trade agreements at the federal level can hinder this access.</p>
<b>Lack of Facilities</b>	<p>Kansas lacks in-state poultry processing and value-added facilities. Kansas poultry farms ship mature birds and spent hens out of state for processing (to Arkansas, Missouri and Mississippi).</p>
<b>Nutrient Management</b>	<p>Improperly stored and/or applied poultry litter may create water quality problems downstream. This problem is compounded in areas with relatively high rainfall such as southeast Kansas. Key stakeholders are working to define best practices for poultry litter and establish a baseline for expectation.</p>
<b>Policy</b>	<p>Though not unique to Kansas, there exist significant challenges due to federal laws and regulations, including: Waters of the U.S., the Endangered Species Act, international trade and more.</p>
<b>Supporting Organizations</b>	<p>Allocating resources and staff time to engage with this industry has been successful. Staff at KDA and KDHE are now engaging with communities that show interest in poultry development and share resources available to better understand the industry and livestock waste management aspects.</p>

Challenge	Details of Challenge
<b>Water</b>	Access to an abundant and reliable water supply is critical to starting a poultry operation. This can prove challenging in many areas of western Kansas that are closed to new water appropriations. New or expanding poultry operations in these regions will have to purchase land with sufficient water rights. One additional challenge not to be overlooked is the aging infrastructure of the state's rural water district framework.
<b>Workforce Development</b>	Growth in the poultry industry will require a skilled and non-skilled workforce, which continues to be a significant challenge throughout the entire agricultural industry.

## SUCSESSES

Key successes in the poultry industry:

- The Governor of Kansas signed a bill passed by the state legislature in 2018 which set into statute specific guidelines related to animal conversion units, poultry facilities, and confined feeding facilities.
- In an effort to increase communication about the poultry industry to Kansas communities, and work to dispel misconceptions that give the industry a bad reputation, a K-State Research and Extension poultry specialist has been working with many communities across the state to better understand all aspects of the poultry industry (e.g., layers, broilers, turkey, etc.).
- Since joining The Poultry Federation in 2017, a major poultry business development opportunity has surfaced in Kansas. This poultry integrator project gained interest from 42 communities in the state, with 17 of these communities completing proposal packets for site selection consideration.
- On April 2, 2018, The Poultry Federation via organizational communications sent an update entitled “Opening Doors for Future Poultry Farms in State” to all members, stakeholders and subscribers notifying them of the Governor’s signing of SB 405.
- The USDA issued a statement deciding not to impose additional regulatory requirements for organic producers and handlers effective May 13, 2018.



## Poultry

# GROWTH OBJECTIVE:

Establish a solid foundation and develop partnerships that will support growth and advance the poultry industry in the state.



## OUTCOMES & ACTION ITEMS

Leaders from throughout the Kansas poultry industry will continue to collaborate in the development and implementation of a long-term strategic growth strategy with input and discussion among key partners. Industry-identified desired growth outcomes, initially developed in 2016 and expanded to include action items, which will be implemented by industry and key partners and updated annually at the Kansas Governor's Summit on Agricultural Growth. Following are the proposed action items to continue building on the achievement of the poultry sector desired outcomes.

### High Priority Outcomes

**Identify Kansas communities that express acceptance to and interest in understanding the economic benefits of the poultry (including game bird) industry and are open to welcoming businesses into their region.**

#### ACTION ITEMS:

- Develop a coalition of groups who can serve as ambassadors to educate communities about poultry opportunities.
- Develop simple statements to communicate about common issues that arise in the poultry industry: natural resources, animal agriculture, workforce, environment, etc.
- Work with economic development personnel in various communities to understand data and answer questions regarding poultry and poultry growth opportunities.
- Develop a toolkit with resources that provide science-based information as well as state content experts who can address community questions on a range of topics including modern poultry production, natural resource usage in poultry production, and litter application and management.
- Design positive public campaigns to share the story of the poultry industry by focusing on the benefits.
- Invite producers in surrounding states to share their story on how to integrate and work alongside the poultry industry.

**Land-grant university research focused on poultry industry development, including increased extension education, outreach and support for Kansans engaged in or interested in the poultry and game bird industries.**

#### ACTION ITEMS:

- Expand research specific to the poultry and game bird industry to include community studies focusing on odor, water quality, litter management, etc.
- Partner with K-State Research and Extension to distribute science-based information and to educate communities on common misconceptions of the poultry industry versus modern-day poultry production.
- Encourage collaboration and research partnerships across curriculum areas to strengthen research and develop high-quality public education tools.

**Alternative workforce programs to fill talent and workforce needs of the industry. A successful example is the current Kansas Department of Corrections work release program's support of existing poultry business workforce gaps.**

**ACTION ITEMS:**

- Develop training and mentoring programs for secondary and postsecondary classrooms to share workforce opportunities in the poultry industry.
- Create apprenticeship programs designed to support a culture of workforce development in the poultry industry.
- Complete a poultry wage/benefit/alternative benefits survey that promotes the positives of working in the poultry sector.
- Design economic benefits and tax incentives focused on workforce development. One example can be expanding rural opportunity zones to include more support for general agriculture sectors.

**Develop further processing and value-added infrastructure.**

**ACTION ITEMS:**

- Increase the number of poultry processing sites available to Kansas growers.
- Position the promotion of value-added agriculture by using facts and statistics to educate communities and economic development leaders.
- Provide general information to the public regarding considerations that must be made when developing value-added opportunities within animal agriculture: water, land, transportation, utilities, workforce, etc.
- Facilitate and collaborate with rural water providers to improve infrastructure needed to support poultry.

**Regulations based on sound science and supportive of business successes which directly affect the poultry industry.**

**ACTION ITEMS:**

- Meet regularly with industry to stay connected on regulatory issues.
- Actively communicate real consequences to elected officials as they relate to Kansas poultry producers.
- Partner with other states to advocate against federal overreach.
- Create educational materials that define animal welfare expectations within the poultry industry.
- Clearly define common federal references used in the poultry industry —broiler, layer, hen, cage free, organic, free range, etc. — in an effort to educate Kansans about the poultry industry.
- Develop a poultry waste regulation that clearly identifies the delicate balance between industry growth and protections to the environment (including downstream water resources).

Policies in this document are a reflection of industry discussion and not a representation of state government.