



AG EQUIPMENT

MANUFACTURING & SALES

Kansas is home to agricultural equipment manufacturing and sales companies in a broad range of sizes and specializations. Many of these companies have an international presence along with a strong presence across the U.S. Farming and ranching make up a dominant segment of the state both economically and geographically, which creates an abundance of potential customers for agricultural equipment companies. The strong customer base, along with supportive state policies which encourage agricultural development, make Kansas a prime location for growth in the agricultural equipment manufacturing and sales sector.

Challenges remain, however, and present possible barriers to continued growth. Establishing a reliable workforce is difficult in many agricultural sectors, and can be particularly problematic in this field that relies on specific technical knowledge. Many new equipment companies are small operations, and it is challenging

for small businesses to get a foothold in the industry and market their products. There is currently no state association to provide support within this sector nor to advocate for the industry.

There is great potential for growth within the agricultural equipment manufacturing and sales sector, but it will require input and discussion among key partners to develop a long-term growth strategy. Focused efforts to establish international relationships could open new markets. Existing state business resources could be directed specifically to agricultural business development. Enhanced educational and workforce development programs would expand the talent pool and support existing companies as well as attract new companies. A strategic growth plan built from collaborative efforts from public and private stakeholders is critical to the future of this sector of the agriculture industry.

Status

Kansas is home to agricultural companies of all sizes specializing in equipment for livestock and farming. Many of these companies have an international presence and impressive market penetration within the United States. The farm machinery and agricultural equipment manufacturing industry contributes \$5.0 billion to the Kansas economy and is the 33rd largest industry in the state. Nearly 90% of Kansas' land mass is devoted to farming and ranching, providing ample customers for agricultural manufacturers' product lines. Pairing the prevalence of the agricultural industry with Kansas' pro-business climate and Midwest values makes Kansas a prime location for equipment manufacturers or equipment sales companies which are looking to create or expand their businesses.

According to a Kansas Department of Agriculture IMPLAN economic model, the estimated direct impact of the farm machinery and equipment manufacturing, lawn and garden equipment manufacturing, food product machinery manufacturing and sawmill, woodworking, and paper machinery sectors is \$4.3 billion in output and 7,976 jobs. Including indirect and induced effects, the total impact of these sectors on the Kansas economy reaches \$6.4 billion in output and 17,968 jobs. An additional model shows the impact of only the farm machinery and equipment manufacturing and food product machinery manufacturing sectors on the Kansas economy. The sector has a direct output of \$3.3 billion and accounts for 6,484 jobs. In total, the sector contributes \$4.99 billion in output and 14,561 jobs.

Successes

- Kansas State Department of Education, Kansas Department of Commerce, Kansas Department of Labor, and KDA worked with stakeholders to compile work-based learning strategies that KSDE used to create the Kansas Work-Based Learning: Personalized Learning Plan.
- With the development of the K-State Edge Collaboration District and projected growth that is anticipated there is an opportunity to collaborate with equipment manufacturers across the region. Ensuring that agriculture equipment manufacturers are a part of the Edge development is key to the success of the sector.
- The K-State College of Agriculture's department of communications and agricultural education convened industry partners to develop essential technical skills needed for entry-level employees so that agricultural education instructors can be prepared to demonstrate and teach needed skills to secondary students.
- In 2018, Great Plains Manufacturing expanded operations in Abilene by contracting to add a 350,000-square-foot facility that added 200 jobs over the past four years.
- A State Trade Expansion Program grant enabled a new trade mission to AGRO 2018 in Kiev, Ukraine. As a result, three Kansas agriculture equipment manufacturers hosted a reverse Ukrainian trade mission in 2020 in which those in attendance placed orders for their combined product.
- Collaboration between KDA, Kansas Manufacturing Solutions, and the Technology Development Institute has resulted in the identification of over 200 Kansas farm machinery and agricultural equipment manufacturers in order to engage them in bi-monthly webinars. The goal of this collaboration is a Kansas coalition of agriculture specific manufacturers to create opportunities to provide access for their products by consumers both domestic and international.
- A hands-on immersion activity designed to recruit students while highlighting the skills needed in the sector was piloted at a southeast Kansas ag equipment dealership in the fall of 2018. Two more of the immersion activities were conducted in 2021 featuring one southwest Kansas and one northeast Kansas ag equipment dealership.
- Prairieland Partners has developed a strategy to reach out to secondary schools to recruit students while in high school.