

GLOBAL OPPORTUNITIES

With more than 99 percent of global consumers residing outside Kansas, growth in the state's agricultural industry relies on the ability to access and compete in the global marketplace. In 2014, Kansas exported more than \$4.7 billion in agricultural products; the top exports were wheat; beef and veal; soybeans, other oilseeds and products; and feeds and other feed grains. Global demand for food and agricultural products from Kansas will continue to grow, and it will be important for Kansas farmers, ranchers and agribusinesses to take advantage of programs and services aimed at providing assistance in opening new markets and gaining new international customers. There is also an opportunity to conduct a thorough analysis of current export markets in order to identify potential new and untapped marketing opportunities for Kansas products in the global marketplace.

INITIAL LIST OF CHALLENGES AND IDEAS FOR POTENTIAL SOLUTIONS

Free Trade Agreements

Initial List of Challenges

- Access to international markets is a positive potential revenue stream. Delays in passage and implementation of the Trans-Pacific Partnership cost the agriculture industry significantly in terms of tariff reduction potential and elimination of non-tariff trade barriers included within the agreement.
- Protectionist policies and non-science-based barriers to trade, especially sanitary and phytosanitary measures, are also a significant challenge for multiple agricultural sectors.

Ideas for Potential Solutions

- Kansas must work with elected officials to keep export markets open and accessible for producers and encourage all trade pacts to be based in sound science.
- Invite elected officials to tour Kansas farms and ranches to see firsthand the positive impact additional trade can have on Kansas operations.

Export Infrastructure

Initial List of Challenges

- Maintaining and improving export infrastructure will help ensure demand for Kansas products around the world. Rail loading facilities are important in addition to maintaining good roads and waterway access.
- Port access is critical; because Kansas doesn't have a port, having the transportation infrastructure necessary to move agricultural products to the port is critical as well. Ports such as the Port of Catoosa in Oklahoma where Kansas commodities are loaded on barges need to be maintained such that shipping capacity isn't delayed or reduced due to aging infrastructure. The

same applies to ports on the coasts where Kansas products would travel by rail or barge to be transloaded onto ocean-going vessels.

- Kansas has grain and liquid rail infrastructure. However, a lack of rail access in the western portion of the state requires processors to ship products across the state by truck to be loaded onto rail at the intermodal facility or use alternative transportation.

Ideas for Potential Solutions

- Maintaining and improving export infrastructure will help ensure demand for Kansas products around the world. Good roads for trucks and rail access across the state along with a state-of-the-art intermodal facility are key to a strong export infrastructure.
- Evaluate which infrastructure components (e.g., Port of Catoosa, Kansas intermodal facilities, etc.) are most important to Kansas agriculture products, and foster support for future investment and growth of those areas.

Acceptance of Genetic Technology

Initial List of Challenges

- Regulatory approval of new seed technology around the world is important as Kansas farmers look to take advantage of the latest advancements to improve yield and meet worldwide demand.
- Exporters are challenged by worldwide differences in the regulatory acceptance of genetic technology. For example, Roundup ready alfalfa is widely grown across Kansas, but not accepted into several Asian/European markets.
- The grain handling supply chain is not equipped to keep genetic traits separated for shipment. Therefore, some technological advancements can't be sold and farmers can't benefit from them until they receive wide approval.

Ideas for Potential Solutions

- Industry should work together to better influence decision makers in other countries who traditionally reject genetically modified products.

Trade Relationships/Market Access

Initial List of Challenges

- While it is widely known that agriculture is a global business, it can be a challenge to identify where priorities should be placed with regard to developing trade relationships and expanding market access. From export opportunities for DDGS and other raw commodities to further processed food items and pet food products, there exists a need for further promotion of Kansas as a good place to source quality agricultural products and do business.

Ideas for Potential Solutions

- Host inbound buyer's missions. Evaluate key international trade shows and consider hosting a Kansas Pavilion. Consider coordinating an in-bound buyer's mission to Kansas, specifically focusing on Kansas company visits.
- Continue to build an international awareness of all that Kansas has to offer and create an appreciation for those products grown and processed in Kansas. From the Land of Kansas, the state trademark program, has a role to play in building the international brand recognition for Kansas.
- Strengthen relationships with check-off programs, U.S. Grains Council, U.S. Meat Export Federation, etc.
- Ensure that Kansas has a representative in as many trade missions as possible, whether hosted by USDA, USGC, USMEF, etc. Emphasis should be placed on engaging farmer/rancher participation in those missions.

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