



To: Chairman Dan Kerschen and the Senate Agriculture and Natural Resources Committee
From: Trisha Purdon, Executive Director of the Montgomery County Action Council
Re: Testimony in Support of SB 405

Dear Chairman Kerschen:

Thank you for the opportunity to provide testimony in regards to Senate Bill 405 which clarifies animal conversion units for poultry facilities with dry manure systems. Montgomery County Action Council is the economic development organization for Montgomery County, Kansas. One of the key goals of our organization since its founding in 1983 is to diversify our economy, and we strongly believe that bringing the poultry industry to Kansas will help us accomplish this goal. Our entire county and many of the Southeast Kansas economic development teams have been collaborating on how we could recruit the poultry industry to our region. It is our belief that this collaboration should extend to the State as part of our economic development team. By establishing strong legislation like Senate Bill 405, Kansas would show the poultry industry that we are open for business and economic growth.

Our community has realized that this industry offers a large opportunity for growth that our region hasn't seen in decades. Montgomery County and Southeast Kansas is known for heavy industry, with companies including John Deere, CVR Refinery, Cessna Aviation, Standard Motor Products, Spears, and ACME Foundry calling our rural county home. However, in the past few years, our region has also become known as "the Appalachia of the Midwest" due to significant job losses, health indicators, poverty rates, and substance abuse issues. This situation was accelerated when Montgomery County received the devastating blow of simultaneous closures of Amazon.com's distribution center, and Southwire Manufacturing on February 1, 2015. Together, these companies employed almost 1,500 people. We have only been able to recoup 20% of these lost jobs.

When our community was identified as a top candidate for a new poultry processing facility, it forced our county and the region to take stock of our natural resources and consider the multiple facets required to bring an industry like poultry to our area. We formed a regional leadership taskforce of 55 members to analyze the impact on workforce, infrastructure, education, transportation, among other key concerns. We had several meetings with regional partners that were knowledgeable on current farming and production operations, land use, agriculture, water, environment, watersheds, finance, soil conditions, workforce, etc. so that we could understand how this project would impact our region, and how our region would benefit from this industry.

On the local end of this project, we had to be certain we could accommodate poultry production. As with any industry, workforce is the most critical deciding factor in site selection. According to the United States Census Bureau Labor Report there are 51,205 workers working in the 30 mile radius of the proposed site that a new employer could draw from, with 5,343 unemployed in the Kansas and Oklahoma 10 county area. When you also include the underemployed workers in Kansas, the workforce pool increases to 19,030 job seekers. Southeast Kansas consistently has the highest unemployment and underemployment rates in the State, and bringing such a large employer to this area could start to alleviate this perpetual cycle. In addition, knowing that the starting wage for Tyson is \$13/hour, we believe it is helpful to know that over 14,000 workers in our local labor pool earn only the minimum wage of \$7.25/hr. We believe many of the underemployed have one or two part-time jobs to make ends meet. The economic impact that Tyson could have on our region and families in our area is staggering.

A poultry complex would impact all aspects of our community, giving our commodity farmers another market for corn and soybean sales, diversifying our farms and bringing second and third generations of Kansas kids back to the farm and employing a wide variety of citizens in all level of jobs in the processing plant. It could also mean we start to slow, and even potentially reverse, the population decline our region has seen for the past few decades. Knowing all of this data, and sharing it with our citizens, we all have agree that poultry production is a good fit for our community, and we believe, the State of Kansas. In fact, over forty other communities across Kansas showed interest in this project when the RFP was reissued to the state in September. Poultry production has the opportunity to change the landscape of Kansas farms and generate growth and development in both rural and urban communities in Kansas.

However, we need the Southeast Kansas Poultry Taskforce to include our leaders here in Topeka, who can address the gaps in policy, best management practices, and procedures that are needed to both recruit and manage the poultry industry once they are here. Senate Bill 405 opens the door for farmers in Kansas who want to raise chickens for poultry integrators. We need to establish reasonable setbacks that ensure our producers are good neighbors in their area but also allow them to do business profitably, without incurring debt that requires a long term repayment period. If a Kansas family farm wants to invest in four or six barns, and then discovers two years later that raising poultry fits their family, they should be able to grow to meet the industry standard of eight barns. As shown in the table below, if the animal unit conversion for broiler chickens were set at 0.003 we would still be one of the strictest states in the Midwest on confined animal growing operation setbacks. As legislators, you would also be protecting the farmers who want to diversify their farms with poultry operations, by ensuring they can meet industry standards for the number of birds being raised on a farm. These families would be allowed to have a more profitable business and pay off their debt much faster with 8 barns.

State Comparison of Setback Requirements from Habitable Structures, feet				
Number of Broilers				
State	37,500-124,999	125,000-333,333	333,334 - 374,999	375,000-874,999
Tennessee	0	0	0	0
Arkansas	0	0	0	0
Minnesota	0	0	0	0
Oklahoma	50	50	50	50
Georgia	500	500	500	500
Nebraska	0	1,320	1,320	1,980
Missouri	0	1,500	1,000	3,000
Wisconsin*	0-Permit	0-Permit	0-Permit	0-Permit
Iowa	1,250	1,250	1,875	2,375
Kansas - Current	1,320	4,000	4,000	4,000
Kansas - Proposed	1,320	1,320	4,000	4,000

*County specific, some counties have no setback requirements, others require a case by case application.

Another key role that the State must have on this project is to ensure that our state is not only competitive with our surrounding states for poultry production, but we also need to ensure that we are being competitive for the growing operations as well. If you are not aware, both communities currently being considered for poultry operations are border communities. Meaning that if we are not somewhat competitive for the growing operations with our neighboring states, we will likely lose many of these operations to our neighbors. This means that our local municipalities and the State of Kansas will lose the opportunity to fully monitor and regulate the best practices that these growing operations will need to implement in order to be good neighbors and stewards of the environment.

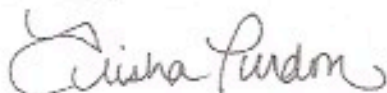
We would also lose the increase appraised value of these state-of-the-art barns that would be built for this industry for our State. The fiscal impact this could potentially have on the Kansas economy could be \$22,705,500 in property tax revenue over 10 years (based on the Montgomery County Mill Levy sheets). This is assuming that each barn would appraise at \$125,000 x 400 barns needed for 1.25 million chickens/week. However, this impact would only be this high if a majority of barns are built in Kansas, versus Oklahoma or Nebraska.

We have an opportunity to set the standards and best management practices for a new industry in our state. Let us prepare by implementing competitive, yet responsible, set back laws, poultry litter best management practices, and a sustainable watershed and water supply protection program statewide. If we all work collaboratively at both the local and state level, I am confident we can recruit poultry operations to Kansas.

Most of us consider Kansas an agricultural state, which makes it is hard to believe that Kansas has been void of poultry production up to this point. We believe that 2018 can be the year that this changes. The pieces are in place for Kansas to start producing, we have the grain and water needed as well as the farm families who want to invest in this industry. We have strong regional support for the poultry industry and we believe that the State of Kansas can make an even stronger statement of support by passing Senate Bill 405. With the passage of this bill, the State of Kansas clearly conveys to all poultry integrators that we are OPEN for business for the poultry industry and for future growth in agriculture business in Kansas.

Thank you for your efforts here in Topeka on behalf of our communities. We appreciate the opportunity to speak with you about this exciting opportunity.

Sincerely,



Trisha Purdon
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