




APPRECIATION OF THE EARTH. Stafford County FB members Sharilyn McNickle and Debbie Suiter shared ag education lessons with local elementary students including the importance of recycling programs, being good stewards of the land, water management practices on farms/ranches and a demonstration of KFB's EnviroScape (pictured above). To recognize Earth Day on April 22, students drew a picture on grocery sacks representing something they learned about being good stewards of the Earth. These sacks were used in local grocery stores on Earth Day.



WEST COAST AGRICULTURE. Farm Bureau members in California opened their farms and homes to host their Kansas counterparts earlier this month. Paul Wenger, California Farm Bureau vice president, is pictured describing his walnut and almond operation near Modesto. The Kansas group also saw

artichoke, broccoli, cauliflower, strawberry, walnut and almond production, along with dairy operations, nut processing plants, an asparagus processing plant, Hilmar Cheese Company and a winery. The trip to California recognized 10 Kansas Farm Bureau member families who earned the title of "Farm Family of the Year" during the 2005 KFB annual meeting.



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Kansas Farm Bureau represents grassroots agriculture. Established in 1919, this non-profit advocacy organization supports farm families who earn their living in a changing industry.

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Beef Verification Solution Passes Muster During PVP Audit

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Beef Verification Solution Passes Muster During PVP Audit

At a time when every dollar makes a difference, Kansas Farm Bureau's *Beef Verification Solution* (BVS) is turning the corner with its program designed to provide the most profit potential when selling your livestock. As part of AgInfoLink's Process Verified Program, *Beef Verification Solution* passed muster recently when two U.S. Department of Agriculture auditors came to Manhattan.

During this routine USDA audit, a verification center located in Jewell County was examined to ensure proper procedures were implemented in the Process Verified Program (PVP). Auditors examined enrollment and

training records and the method of data collection. *Beef Verification Solution* passed with flying colors.

The key advantage for producers who enroll in KFB's *Beef Verification Solution* program is that it provides them with the flexibility to choose the feedlot, packer or other marketing channel that will increase the bottom line. BVS does not lock a producer into a single *Quality System Assessment* program.

Timelines and benchmarks for the establishment of the National Animal Identification System (NAIS) were announced this month by Agriculture Secretary Mike Johanns. Full implementation of the NAIS is targeted for 2009 but benchmarks are in place for the NAIS to be operating at less than full scale by 2007.

The USDA also released the general technical standards for animal tracking databases that will enable

integration of private systems with the NAIS. USDA officials expect to have the technology in place by early 2007 to have the Animal Trace Processing System or metadata system functional; this system will allow state and federal animal health officials to query the NAIS and private databases during a disease investigation.

Kansas beef producers can learn more about *Beef Verification Solution*, a private data sharing network that captures the value of a producer's animal genetics and herd management through source verification. In addition, BVS will connect producers with the necessary information for NAIS compliance.

Make plans to stop by the BVS booth at the 3i farm show, May 11-13, Great Bend.

For more information, contact Agriculture Solutions at bvsinfo@agsolusa.com.

Input Needed Now on Local Option Budget Increases

The Legislature will soon return to Topeka with a number of significant issues remaining on the agenda before adjournment. While eminent domain and the sunset of the Kansas estate tax – priority issues for KFB – are yet to be resolved, much of the attention during the veto session will be on school finance.

KFB supports an adequate education for Kansas children and is concerned about the tendency in recent sessions to use the Local Option Budget as a mechanism to create additional dollars for Kansas schools. The bottom line for property owners across the state is that additional LOB authority for school districts results in a higher mill levy and subsequently higher property taxes for landowners. Increasing LOB authority is a tax increase.

KFB needs your assistance in communicating this message to Senators and Representatives. Go to KFB CapWiz, www.kfb.org, to voice your opposition to any additional LOB authority.



THINK CASH FLOW

Kansas Farm Bureau's *Agriculture Solutions* is a far-reaching, diversified program to meet the complexities of a varied commodity base and geographic range of agricultural producers within Kansas. This KFB program is designed to match profitable risk management tools, service and value-added opportunities for farmers and ranchers.

A major focus of *Agriculture Solutions* is the development and

implementation of price and production risk management tools. These are designed to help crop producers reduce and even eliminate cash flow volatility caused by uncontrollable risks such as price, production costs and weather.

With the help of *Agriculture Solutions*, Farm Bureau members can be more adaptable to structural changes that continually buffet agriculture. *Agriculture Solutions* can also make producers more competitive and help them earn more income in an environment where this is more and more critical.

Watch your *Farm Leader Letter* for details of a creative way to enhance your bottom line from KFB's *Agriculture Solutions*. This program will allow farmer and rancher members of Farm Bureau to earn additional income and also protect that income by reducing yield and price risks.



Crop Insurance Reforms are Needed, KFB Heads to D.C.

Kansas Farm Bureau president Steve Baccus will testify April 26 before the U.S. House Agriculture Subcommittee on General Farm Commodities & Risk Management.

Crop insurance in its current form is ineffective and inefficient. The costs of crop insurance in Kansas have risen sharply and it represents one of the largest costs to many farmers. The cost intensive nature of the existing crop insurance program limits the number of producers who can participate.

The coverage levels offered by crop insurance providers are not indicative of

what farmers need. Farmers can currently insure their crops for up to 80% of their total value and have the option to purchase supplemental insurance at an additional cost. These coverage levels are insufficient, particularly if a crop is eliminated by natural events. When you combine the substantial input production costs and the premium rates with an 80% insurance payout the result is a net loss for the producer.

Baccus will urge Congress to consider introducing competition into the marketplace or privatizing the crop insurance industry through a voucher system.

KFB Testifies on FSA Streamlining Plan

Kansas Farm Bureau lobbyist Terry Holdren testified recently that while KFB supports streamlining the Farm Service Agency, efficiency should not come at the cost of reduced services for farmers and ranchers.

The Kansas FSA held three Stakeholder Listening Sessions in March as part of a statewide review that could result in the closure of some FSA offices. The effort is part of a nationwide plan to pare down costs at the agency. KFB staff and members were present at each session; Holdren testified at a Topeka hearing.

Holdren noted KFB policy supports efforts to streamline the internal FSA organization by improving administrative efficiency at the national, state and local levels. However, savings should not come at the cost of high-quality service within a

reasonable distance from producers.

Currently, \$1 of program benefits are offset by \$2 of overhead costs, which is wasteful and should be reformed. Should those reforms result in the closure of offices, Holdren said KFB supports "one-stop shopping" for all farm program agencies, where feasible, could be in the same building. He also asked FSA to consider part-time or satellite locations in counties where offices are consolidated or closed.

If consolidation does happen, Holdren said equal producer representation is a critical component in its success. KFB supports computerized services at county offices, as producers are comfortable with technology and have access to a wide variety of computer hardware, software and Internet providers.

Farm Bureau Stands Up for Farmers/Ranchers as Bioscience Industry Takes Shape

There is no doubt that much of agriculture's future success lies in biotechnology and bioscience. Research and technology are becoming increasingly global in nature and as

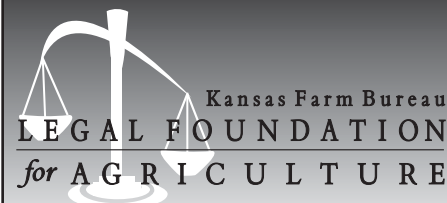
the bioscience industry is defined, enormous opportunities exist for individual farmers and ranchers.

The leadership of your farm organization recognizes the potential and Kansas Farm Bureau will be at the

table as the future of bioscience is created. Your farm organization has joined KansasBio, a unified voice representing the biosciences in Kansas.

Across the human, plant, animal and industrial biosciences, KansasBio is focused on enhancing the business and research climate and working with leaders across the state to attract and retain bioscience talent, companies and funding.

For more info, go to kansasbio.org.



Corporation: The Right Business Structure?

What sets the corporation apart from other types of businesses is that a corporation is an independent legal entity – it is separate from the individuals who own, control and manage it. In other words, corporation and tax laws view the corporation as a legal "person," meaning it can enter into contracts, incur debts and pay taxes apart from its owners.

Advantages:

- ✓ Reduce personal liability – Incorporating allows a business owner to protect his or her personal assets.
- ✓ Attract investors – Corporations may raise capital through the sale of stock.
- ✓ Insure longevity – Corporations are enduring legal business structures with a life that extends beyond the illness or even death of its owners.
- ✓ Taxes – A corporation may pay taxes on its income or in some cases elect "S" corporation status and have it pass through to its shareholders.
- ✓ Transfer Ownership – Incorporating allows you to transfer business ownership through the sale of stock.

Disadvantages:

- ✓ Formation – Incorporating involves more paperwork, complexity and possible expense.
- ✓ Operation – Corporations are required to keep formal minutes, have meetings and record resolutions.
- ✓ Centralize Management – In a corporation, your board of directors holds the power to make major business decisions and approve agreements.

For more information, call Terry Arthur, General Counsel, at (785) 587-6614 or visit the KFB Legal Foundation Web page at kfb.org.

FARM FLASHES . . .

KFB 7th and 8th Districts Bring Ag Advocate to Great Bend

■ Scott Loving, Pawnee County FB vice president and YF&R chair, has taken the lead on a project to bring agriculture speaker Trent Loos to Barton County Community College during the 3i show in Great Bend. Loos is a sixth generation farmer who has taken his passion for a rural lifestyle to the radio air waves with a program called *Loos Tales*. He speaks on current agriculture issues and motivates fellow producers and agribusiness folks to be advocates for agriculture. This event is sponsored by Pawnee, Rush, Edwards, Ness, Barton and Stafford County Farm Bureaus and is set for May 12, 6:30 p.m. in the Barton County Community College Fine Arts Auditorium.

KFB Hosts Networking Event for AFBF/Congressional Staff

■ The key to good public policy is building relationships – and that is exactly what Kansas Farm Bureau is doing by connecting Kansas Congressional staffers with American Farm Bureau public policy staff for a lunch in Washington, D.C. KFB Governmental Relations Managing Director Harry Watts has invited nine Congressional staffers to dine with AFBF folks in May. Staff members planning to attend include: Mike Seyfert, Legislative Director and Sara McPherson, Agriculture Leg. Assistant for Sen. Roberts; Rob Wasinger, Chief of Staff and Riley Scott, Agriculture Leg. Assistant for Sen. Brownback; Sam Sackett, Agriculture Leg. Assistant for Rep. Tiahrt; Nathaneal Bennett, Agriculture Leg. Assistant for Rep. Jim Ryun; Aaron Popelka, Agriculture Leg. Assistant and Tyler Wegmeyer, Staff Director for Rep. Moran and Andrew Shaw, Agriculture Leg. Assistant for Rep. Moore.

The goal of the lunch meeting is to strengthen relationships with congressional offices and regulators. As part of a new relationship-building initiative, AFBF will host an ongoing informal activity with staff from each state Farm Bureau to discuss national public policy issues.

Leavenworth County FB Wants Progress, But Not at Any Price

■ When the Kansas Turnpike Authority and the Leavenworth County Commission started talking about building a new interchange south of Tonganoxie, a group of landowners in the area asked some questions.

“They were upset because the County Commission agreed to develop part of the interchange north of I- 70 but not south of it,” said John Sloan, a farmer who serves on the Leavenworth County FB board of directors. “We wanted the south end developed first because it has the heaviest traffic and the most safety concerns.”

Legitimate safety concerns as it turns out. These area landowners don’t oppose progress but they also want to make sure their concerns are heard as the project moves through. The Tonganoxie turnpike interchange will be built but now it’ll be built with area farmer and rancher input. Isn’t that the way it’s supposed to work?

The Leavenworth County FB worked with KFB Legal Foundation attorney Mike Irvin, who helped them understand their legal rights and provided technical assistance in dealing with the KTA and the Leavenworth County Commission.

Farm Bureau Goes to Bat for SE Kansas Royalty Owners

■ The Kansas Farm Bureau Legal Foundation will provide seed money for the establishment of the fledgling Southeast Kansas Royalty Owners Association, to assist with a host of legal and financial issues associated with the recent vast growth in coal bed methane gas production in the region. New development by natural gas utilities in the region of methane gas has raised a host of questions for Farm Bureau members under whose land the methane gas is being extracted. Allen County and Wilson County FBs hosted informational meetings in Moran and Fredonia in March. The Royalty Owners group will help landowners with leasing, contracting and other legal and financial concerns. KFB Legal Foundation attorney Mike Irvin will provide legal assistance to the group as it gets off the ground.

County FBs Host Membership/Ag Promotion Activities

■ Johnson County Farm Bureau recently invited county presidents from Farm Bureau’s 2nd District to a Membership Meeting and luncheon. FB Capital Management Chief Financial Officer Michael Wilds offered an overview of the current membership system and explained upcoming changes regarding KFB membership. Each county FB president received information of their current membership status and discussed ways to increase numbers. In addition, KFB President Steve Baccus was also on hand to answer questions from each county leader.

McPherson County Farm Bureau has also been busy with networking activities. County President Greg Goering recently visited with the McPherson County Chamber of Commerce regarding the county Farm Bureau and the importance of agriculture to the county economy. McPherson County Farm Bureau was also host of this month’s Chamber Coffee.

African Farmer Visits KSU, Eager to Learn More

■ KFB played host to an international visitor this month as Seydou Ouedraogo, a farmer from West Africa, visited Kansas State University to learn more about grain sorghum and millet research. KFB President Steve Baccus offered information to Mr. Ouedraogo about the importance of trade and research on biotechnology and also related his personal travel experiences to Africa. The tour was sponsored by Kansas Farm Bureau, Kansas Farmers Union, Kansas Rural Center, Kansas State University and Oxfam America.

Kansas Farm Bureau CALENDAR

April 26-27
County Professionals Leadership
Conference, Manhattan

May 11-13
3i Show, Great Bend