

# THE Agricultural Business Council of Kansas City

JANUARY 15, 2009

## Jan. 22 Legal & Economic Presentation



Agricultural Business Council Members are invited to the **Shook, Hardy & Bacon Legal & Economic Presentation** on January 22. Registration begins at 1:45 p.m., with presentations starting at 2:00 p.m. and a cocktail reception to follow at 4 p.m. Featured speakers include Mark Anstoetter, *SHB*; Terry Christenberry, *Christenberry Collet & Co*; Bill Martucci, *SHB*; Laurie Henry, *SHB*; and Dr. Marty Vanier, *Kansas State University*. The event will be held at the Shook, Hardy & Bacon offices located at 2555 Grand, Kansas City, MO and registration is complimentary for Ag Business Council members. Please e-mail Erica Venancio at [erica@petersenconsultingllc.com](mailto:erica@petersenconsultingllc.com) for more information or to reserve your seat.

## COOL Rules

On January 12, the USDA issued details of the final regulation for the mandatory country of origin labeling (COOL) program required by the 2002 and 2008 farm bills. The rule covers muscle cuts and ground beef, lamb, chicken, goat and pork; wild and farm-raised fish and shellfish; perishable agricultural commodities; macadamia nuts; pecans; ginseng and peanuts.

Commodities covered under COOL must be labeled at retail to indicate its country of origin. Labels for fish and shellfish must note the method of production - wild or farm-raised. If commodity is an ingredient in a processed food item, it is excluded from the mandatory COOL regulation.

Council members can get an in-depth explanation of the COOL regulation on January 22 when the **Shook Hardy & Bacon** hosts its annual Legal & Economic Presentation.

## It's Official!



**KSTATE**

The Department of Homeland Security officially named Kansas State University as the future home of the National Bio and Agro-Defense Facility on January 12. Kansas officials have proclaimed the state's readiness to implement the program which includes a \$451 million federal scientific laboratory.

"Now we are ready on day one to use our outstanding strengths in this field to be the federal government's partner in protecting the American food supply and agriculture economy for years to come," said Tom Thorton, President and CEO of the Kansas BioScience Authority.

Once built, the NBAF will serve as the nation's premier research facility for developing vaccines and countermeasures for diseases that threaten livestock and other animals. Experts consider the facility an urgent national priority due to agriculture's vulnerability to naturally occurring diseases or agro-terrorism.

In early December, the DHS announced it had recommended KSU as the preferred location in the final environmental impact statement (EIS) after a three-year selection process that reviewed 29 potential locations across the country.

## Save the Date!

February 20, 2009

The Modern Face of U.S. Animal Agriculture - Shaping Public Perceptions

11:30 a.m. Networking  
12:00 p.m. Lunch

Featuring:  
**Charlie Arnot**, *President*,  
CMA Consulting  
**Don Nikodim**, *Executive Vice President*,  
Missouri Pork Association

Location & Cost TBA

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## Business Bits, Briefs & Bios

**Kansas Department of Commerce:** J.J. Jones has joined the agriculture marketing team of the Rural Development Division and will be working with Kansas commodity groups and agricultural organizations as well as on international marketing efforts to promote Kansas bulk commodities and livestock. Jones previously was the Director of Industry Relations for the Kansas Beef Council, and earlier was Director of Member Services for the Kansas Grain and Feed Association.

**Mariposa Partners, Inc.:** Launched in September 2008 and led by Carol Anderson, Mariposa Partners is a public relations agency created through a partnership between JLM1926 Holdings, Inc. (owner of McCormick Company, McCormick Global, The Hondo Group and Unison Resource Company) and the agency previously known as Anderson Fallon Public

"We can take this moment to be proud of what the united Kansas team has accomplished," Thorton continued, "and of our state's growing national bioscience leadership, which is demonstrating that innovation is key to Kansas' economic future."

On Monday, January 26, there will be a reception, from 5:30 to 7:30 pm, at the Capitol Plaza Hotel in Topeka to commemorate the NBAF effort. This event will also kickoff Kansas Bioscience Day at the state capitol on Tuesday, January 27. For more information about these events, contact the Kansas Bioscience Authority: 913-397-8300.

### Soy in Ford Seats Not A Case of Spilt Beans



Every Ford assembled in the Kansas City plant in 2009 will come with soybean oil in a place you might not expect - the seats! Polyols made from soybean oil are used in producing polyurethane foam which in turn goes into the process of making the car seats installed in Ford automobiles like the Escape Hybrid and F-150 pick-ups.

"Over a billion pounds of soybean oil will be used to make industrial products in 2009,"

estimates Agribusiness Council member Jim Martin of Prairie Village who adds, "That does not include biodiesel used for fuel." Martin is a vice president of Omni Tech International, which supports the research and development efforts of the United Soybean Board (USB). USB has funded the development of soy polyols by several companies and universities, including Pittsburg State University at Pittsburg KS.

### KCBT Records Solid Performance in 2008



Although trading last year was off slightly from 2007, the Kansas City Board of Trade registered the third largest trade volume in its 153 year history. Contracts for 2008 topped out at 3.9 million compared to 4.67 million contracts in 2007. In 2006 the KCBT handled 5.29 million contracts. Wheat futures trading volume was also the third largest in KCBT history, at 3.8 million contracts.

Wheat options volume for the month of December jumped 248.6 percent when compared to November. Open interest increased 4.9 percent for wheat futures in the past month, with wheat options open interest increasing 41.9 percent in the same time period.

The Kansas City Board of Trade, founded in 1856, is the world's largest futures market for hard red winter wheat. Daily quotes, market commentary, historical data and charting services are available on its website: [www.kcbt.com](http://www.kcbt.com).

### Rural Development Funding Hits High Note in 2008



The USDA Rural Development Agency provided Kansas with nearly \$268 million - an all-time annual record. Highlighting the Agency's contribution to Kansas' rural development efforts was a

record \$161.9 million for affordable housing programs.

"USDA Rural Development is very proud to provide another year of record funding for much needed community and economic development programming for Kansas," said USDA State Director Chuck Banks, adding, "These important programs result in more desirable jobs, better housing and an improved quality of life for Kansans."

Relations. The firm works with clients in a variety of industries such as agriculture, food and health, building products, chemicals/plastics, telecommunications, and post-secondary education. Anderson recently was named national president of the National Agri-Marketing Association. [www.mariposapr.com](http://www.mariposapr.com).

### Environmental Protection Agency - Region 7:

The EPA R7's agriculture website offers a video highlighting the intersections of agriculture and the environment. The website includes a number of other work products, such as a biodiesel and ethanol manual.

<http://www.epa.gov/region07/priorities/agriculture/index.htm>

### Tessengerlo Kerley, Inc.:

The Phoenix-based producer and marketer of specialty chemical solutions, including fertilizers, crop protection chemicals and process chemicals and services acquired a 30% share of **Wolf Mountain Products, LLC**. Wolf Mountain offers a broad range of high quality bark and wood-based products used as soil amendments, professional grow mixes, top dressings for golf and turf, ground covers, and playground chips. TKI also acquired the assets, marketing and distribution channels of Agrochem of Istanbul and Izmir, Turkey. The company will be called **Tessengerlo Agrochem (TA)**.

**SFP:** The Leawood, Kansas, agriculture company focusing on fertilizer efficiency will be the primary sponsor for racecar driver Peyton Sellers and Cardinal Motorsports in the NASCAR Nationwide Series in 2009. The SFP product line includes AVAIL® Phosphorus Fertilizer Enhancer and NutriSphere-N® Nitrogen Fertilizer Manager.

### SouthWestern Association:

The trade group has launched an initiative focusing on three critical areas to help its 1,800 farm,

Since 2001, USDA Rural Development has invested nearly \$1.5 billion in funding assistance for Kansas to expand affordable housing, community facilities, business development, water and waste disposal, renewable energy and energy efficiency, telecommunications, and value-added producer programs. During this same period Agency funding has benefited well over one million Kansans, and will support more than \$7 billion in future economic development for the State.

During Fiscal Year 2008 USDA Rural Development programs assisted Kansas rural communities in supporting over 315 jobs, and benefiting more than 119,000 Kansans with various Agency-financed community development projects. Additionally, USDA's rural housing program area helped nearly 1,800 Kansas families purchase a new single-family residence or renovate their existing home; another 7,200 families were provided access to safe and affordable rental housing.

## Farmers Ready to Work With Obama Administration



Farmers are eager to work with the administration and the new congress, said American Farm Bureau Federation President Bob Stallman last week at the organization's 90<sup>th</sup> annual meeting. Stallman told AFBF members that President-elect Obama wants a healthy agricultural economy and will base his decisions on science. "That is good news for the Farm Bureau and agriculture," he said.

Stallman issued a direct message to the incoming U.S. president: "We, the farmers and ranchers of Farm Bureau, are ready to roll up our sleeves and move forward. We feed the nation, and no matter which national priority-the economy, energy, immigration, trade, environment-that you choose to pursue, we are ready to hit the ground running."

In his keynote address, Stallman covered a wide range of topics and commented on specific issues of interest to the Farm Bureau and focused on the need for a reliable supply of legal workers willing to work in agriculture. Stallman also called for an overhaul on global trade negotiations, noting that the Doha Round talks have stalled and continuing trade talks need to focus on "increasing trade, not preventing it."

As for the EPA's new rule dealing with manure management on concentrated animal feeding operations, Stallman indicated the AFBF would be "challenging the rule in court based on our belief that EPA has exceeded its authority to regulate livestock farms under the Clean Water Act."

Stallman said farmers and ranchers will also be active in the debate on climate change. "Where science indicates a real risk or harm, we will play our part in reducing or eliminating that risk," he said. But he warned lawmakers to make sure that science would not be hijacked by groups with a particular policy agenda.

Stallman renewed the call for a comprehensive energy plan that embraces all aspects of the nation's energy needs. "I am proud to say that we successfully advocated for a strong energy title in the farm bill, part of which was to aid in the transition to cellulosic-based renewable energy," he said. "Ag-based energy such as biofuels, wind and electricity from waste digesters are capable of powering an important share of our nation's renewable energy future."

## Credit Crunch Pushes Traders to Government Programs

by Ross Korves, *Truth About Trade & Technology*



The worldwide credit crisis is having a direct impact on the availability of credit to finance the annual \$14 trillion of international trade. Traders are turning to government programs to fill the gap. When the USDA

Foreign Agricultural Service announced the availability of \$3.5 billion in Commodity Credit Corporation (CCC) export credit guarantees in early October, prospective borrowers lined up with applications for more than \$8 billion - within

construction, industrial and outdoor power equipment dealers strengthen their businesses. The program is designed to 1) assist dealers improve employee recruitment and retention; 2) support dealers day-to-day operations (accounting, legal, regulatory, etc.); 3) represent dealers in legislative and regulatory matters.

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48 hours. Pressure for more government programs will likely continue to increase in the months ahead.

In recent years CCC export credit guarantees have had a declining influence on U.S. exports. For fiscal years (FY) 2000-2004 allocations for the GSM-102 program were about \$4.5 billion per year and applications were about \$3.0 billion per year. By FY2007 allocations had declined to \$3.7 billion while approved applications declined to \$1.4 billion. For FY2008 credit allocations were \$3.3 billion and applications approved were \$3.1 billion. Over those eight years U.S. agricultural exports more than doubled from \$50.8 billion in FY2000 to \$115.5 billion in FY2008. The current USDA forecast for FY2009 made in November shows export value declining to \$98.5 billion.

For FY2009 USDA has a maximum of \$5.5 billion of credit guarantees to allocate as mandated in the 2008 farm bill and has chosen to front load the allocations at the start of the new fiscal year.

## Farm Show Set for Febr. 20-22 at American Royal



The Western Farm Show, the Midwest's premier indoor farm show, will be held February 20-22 at the American Royal Complex in Kansas City. There will be a lot to see at the 2009 show according to Jeff Flora, CEO of the SouthWestern Association, the sponsor of the farm show. Guests will find the latest in farm and livestock equipment and resources ranging from large farm equipment, implements and other products for full-time traditional farmers to compact tractors and equipment designed for part-time lifestyle farmers. New this year is the truck give-away, one lucky person will win a 2008 Chevrolet Silverado pick-up truck. (No purchase necessary, offer void where prohibited. Complete rules are available on the web site at [www.westernfarmshow.com](http://www.westernfarmshow.com).) SFP is the

exclusive sponsor of this year's show.

Tickets for the show are available at the door and are \$8 for adults. Go to [www.westernfarmshow.com](http://www.westernfarmshow.com) to get a \$3 discount coupon or to view a list of participating SouthWestern Association dealers and retailers that have coupons. Children under 12 are free.

The Farm Show, now in its 49th year, attracts over 500 exhibitors and 20,000 guests bringing a significant economic impact to Kansas City.

***The SouthWestern Association is making a limited number of complimentary tickets available to Council members. These tickets are available on a first come-first served basis by contacting Erica Venancio at [erica@petersenconsultingllc.com](mailto:erica@petersenconsultingllc.com).***

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