



# 2017 ANNUAL REPORT

**Vision:** The Kansas Grain Sorghum Commission (KGSC) vision is to be the best stewards of financial resources, ensuring sorghum is a long-lasting, profitable crop for Kansas.

**Mission:** The Kansas Grain Sorghum Commission directs the investment of funds generated by the grain sorghum checkoff to enhance the profitability of the Kansas grain sorghum producer.

## Kansas Passback Dollars

The United Sorghum Checkoff Program (USCP) distributes national checkoff dollars based on a percentage of production to those states that have been approved by the USDA as qualified state organizations. These states use the funds for additional research, market development and education. Kansas works in conjunction with USCP to benefit the local producer. Kansas remains the largest collection state after eight years of the sorghum checkoff. Collection is based on the amount collected during the fiscal year, which is October 1 to September 30. The sorghum assessment is 0.6 percent of the net market value of the grain sorghum.

## Kansas Investment

The KGSC approved \$633,880 for research, market promotion, and education. Research contracts follow the Commission's fiscal year, starting on October 1, 2016 and will be completed on September 30, 2017. See insert for a list of current KGSC projects.

The Commission works to ensure reserves for continual sorghum research in years when yields are reduced such as a drought year. This year the Commission used reserve funds to continue funding research projects important to the sorghum industry. The Board will continue to be diligent to prepare for crop year hardships and provide for continued research investment.

## From the Chairman:

*Stephen Bigge, fifth generation sorghum producer and Leadership Sorghum Class I graduate from Stockton, KS states, "This has been an extraordinary year in many ways. While challenges remain, Kansas Grain Sorghum Commission is committed to advancing sorghum for more value and profitability. The Commission has invested significant dollars in programs in the state to 'move the needle' and expect great things from these institutional, long-term efforts. Sorghum is not going away."*

**FY 2016—KS Passback  
was \$1,188,310.89.**

**Total Collections over  
eight years is  
\$7,305,245.24.**

***Kansas continues to rank first in grain sorghum production in the United States with over 40 percent of the production. Kansas production totaled 268 million bushels in 2016, down 5% from 2015. The Kansas Grain Sorghum Commission continues to work with research partners to increase sorghum production in Kansas, as it is a vital part of the Kansas economy.***





Leadership Sorghum Class III

## Leadership Sorghum

Leadership Sorghum Class III started their experience together September 2016 in the Texas High Plains. Class III participants are: Ted Bannister, Hays; Chad Haden, Clay Center; Jeffery Mai, Garden City; Craig Meeker, Wellington; Daniel Riffel, Stockton; Zachary Simon, Goddard; Bill Spiegel, Manhattan. The class, half of whom are Kansans, lost their classmate and friend Mark Scott (Manhattan) at the end of 2016. He will be missed.

The class held their 2<sup>nd</sup> session in Kansas City learning about the dynamic agribusiness sector in the area in Nov. 2016. They will graduate at a Sorghum Checkoff board meeting in Dec. 2017. Leadership Sorghum seeks to develop the next generation of leaders for the sorghum industry.

**Class III Member Bill Spiegel says,** “From a farmer standpoint, the depth of knowledge of the industry is top-notch. It is exciting to see how checkoff investments are used to boost sorghum research, which doesn’t just improve yields. It increases exports and finds new uses for this important crop. I find Leadership Sorghum to also be a chance to connect with like-minded farmers, and cultivate a network of folks who can continue to champion sorghum in coming years. It is one of the most rewarding programs I’ve ever been a part of.”

## IGP Institute

The IGP Institute’s mission is to provide innovative and relevant education and technical programs to enhance the market preference, consumption and utilization of U.S. cereal grains, oilseeds and their value-added products for the global grain industry. KGSC continues to support IGP in its activities. In 2016, the IGP Institute hosted 80 courses (38 on-site and on-location, and 42 via distance) with a record-setting 2,001 participants from 67 different countries. Program topics fall in three main categories: Flour Milling and Grain Processing, Grain Marketing and Risk Management, and Feed Manufacturing and Grain Quality Management. The KGSC is on the IGP Advisory Board. In addition, the IGP Institute hosts several courses in partnership with the U.S. Grains Council, of which KGSC is a member.



## Center for SORGHUM Improvement

Team Sorghum is thrilled to announce the milestone investment in the Center for Sorghum Improvement. The Collaborative Sorghum Investment Program (CSIP) was created to improve yield, demand and value. The program is funded by major investors Kansas Grain Sorghum Commission, United Sorghum Checkoff and Kansas State University. KGSC and USCP investing \$200,000 per year over a 10-year period with KSU’s investment rounding out for total \$5 million dollars’ commitment to sorghum.

Kansas Department of Agriculture and a private industry partner are now at the table, putting real dollars into the program. Additional partners are welcome and expected. The purpose is to leverage investment and drive out value in sorghum in a way that will increase average national yield from 61.995 bushels to 100 bushels by 2025. CSIP is working to establish demand for 1.2 billion bushels by 2025.

Managing Director Sarah Sexton – Bowser assumed duties and the advisory board held their first meeting in early January 2017. For more information about this program, please contact us directly.

## Referendum

The USDA Sorghum Promotion, Research and Information Order has required two separate votes on the continuation of its existence since its inception. The order requires a simple majority vote in favor of the program for USCP to continue. Sorghum producers had the

## Sorghum Industry Driven by Markets

The marketplace for sorghum both domestically and internationally has remained strong, despite headwinds from a strong dollar and international policy. The United States exported more than 300 million bushels of sorghum in 15-16. The vast majority went to China. Exports declined slightly but exceeded all but two of the last six years. 2015-2016 export demand exceeded all but four years since 1990-91.

Ethanol plants are back in the market for sorghum and export demand remains high:

Florentino Lopez, Executive Director of United Sorghum Checkoff states, "Market optimism continues. Both domestic and international marketplaces remain active purchasers of sorghum. The domestic sorghum market has seen a resurgence of ethanol use as well as continued specialty market development like food and industrial. The state of Kansas, as the number one producer of sorghum, continues to see grain movement increase into all market areas. Continued efforts by Sorghum Checkoff and the Kansas Commission build upon the export and domestic marketplace opportunities. The export market remains the lion's share of the market and continues to draw large volumes of sorghum from Kansas."

### World Agricultural Supply Demand Estimate - U.S. Sorghum

2015/16 Est.

Area Planted (mil. Acres) = 8.5

Area Harvested (mil. Acres) = 7.9

Yield (bushels/acre) = 76

Production = 597 million bushels

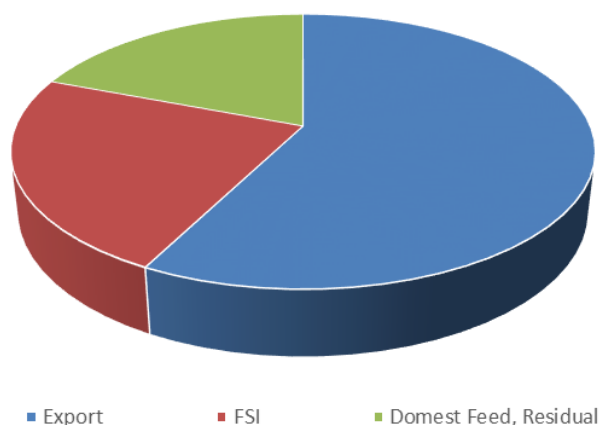
Feed and Residual = 103 million bushels

Food, Seed, Industrial (ethanol) = 142 million bushels

**Exports = 339 million bushels**

**Top 5 Export Buyers:** 1. China, 2. Mexico, 3. South Africa, 4. Kenya 5. Djibouti

Market Demand



## United Sorghum Checkoff Program (USCP)

The USCP board is comprised of 13 sorghum growers with five board members from Kansas. The Kansas board members are Clayton Short, Assaria, Secretary; Adam Baldwin, McPherson; Martin Kerschen, Garden Plain; Boyd Funk, Garden City; and Craig Poore, Alton. Kansas board members serve in other areas throughout the industry. Clayton Short is Vice Chairman of the KGSC and Craig Poore is Secretary of Kansas Grain Sorghum Producers Association. Kansas is fortunate to have our leaders involved at the national level. USCP has two former staff members in Kansas: Sarah Sexton-Bowser is now Managing Director of the Center for Sorghum Improvement at K-State and Jesse McCurry is now Executive Director of Kansas Grain Sorghum. USCP works closely with the commission in promoting and marketing sorghum in the state.

Kansas is well represented on USCP Committees through external committee member seats. Crop Improvement Committee – Dr. Gary Pierzynski, Kansas State University, Manhattan. Renewables Committee – Matt Durler, Conestoga Energy Partners, LLC, Liberal, KS. Market Development Committee – Kerry Wefald, Kansas Department of Agriculture, Topeka, KS; and Dr. Timothy Dalton, Kansas State University, Manhattan, KS.





# U.S. Grain Council (USGC)

Kansas is active in the U.S. Grains Council – “expanding trade, expanding opportunities.” Founded in 1960, the council is a private, non-profit organization with 10 international offices and programs in more than 50 countries and the EU. Its annual export market development program is valued at nearly \$29 million. Sorghum farmers from Kansas are leaders in the organization.

U.S. Grains Council, Kansas Grain Sorghum Commission and state partners hosted dozens of visitors from overseas as export interest continues from more countries. In October a Chinese delegation touring the US sorghum belt visited central Kansas. During their Kansas visit, they toured Kansas Ethanol LLC and ADM in Hutchinson. Xu Ying of Guangzhou Renyi Import and Export Trading Co Ltd., a member of the delegation said, “we are very interested in sorghum quality. What we learned is Kansas sorghum is very good quality. There are no toxins, and the color is light, which our customers prefer.”

As Chinese demand continues the Kansas Grain Sorghum Commission is receiving a significant volume of interest in a container program. The USGC continues to develop markets; enabling trade and improving lives as stated in the mission statement.

**China Focus Continues:** 2016 sorghum promotion in China included quality report rollout, quality and supply/demand presentations at several trade conferences, several customer visits, and initial groundwork on a duck feeding trial:

March – Kansas Team visits China; Guangzhou and JCI Conference, June – Kansas hosts eight end users and two traders

July – Beijing, Guangzhou and CNFA Conference in Chengdu, September – Foodchina Conference in Qingdao & Beijing, Guangzhou and JCI Conference in Fuzhou, October/November – ExEx Team, 18 trading company reps visit Kansas.



District 1 – Lonnie Wilson, Colby; District 2 - Greg Graff, Leoti; District 3 - Mike O'Brate, Ingalls; District 4 - Stephen Bigge, Stockton, Chairman; District 5 – Clayton Short, Assaria, Vice Chairman; District 6 – Jay Zimmerman, South Haven; District 7 – Nathan Larson, Riley; District 8 - Jeff Casten, Quenemo; District 9 - Gary Kilgore, Chanute.

## Kansas Grain Sorghum Commission Staff

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