



Date: February 12, 2025

To: Chairman Ken Rahjes, House Committee on Agriculture and Natural Resources

From: Shahira Stafford, Kansas Cooperative Council

**RE: Proponent Written Testimony on HB 2012**

Mr. Chairman and Members of the Committee,

Thank you for allowing the Kansas Cooperative Council (Co-op Council) to comment in support of House Bill 2012.

Formed in 1944, the Co-op Council is a voluntary trade association representing all forms of cooperatively structured business in Kansas. Our purpose is to further the understanding of cooperative principals, methods of doing business, and the impact co-ops have on our state's rural economy. Kansas co-ops have over 575 locations, employ over 5,000 people, and represent over 116,000 members.

Agricultural cooperatives and ethanol production are connected in Kansas through the production of fuel ethanol from corn and other feedstocks. Ethanol production can add economic value to agricultural products and the region. By providing an income tax credit for ethanol blend sales and distribution, this legislation will create additional market opportunities for corn farmers, generate increased returns for cooperatives and their members, and create more jobs in rural communities.

Leading agricultural organizations and cooperatives across the country have consistently demonstrated the importance of ethanol production. The proposed tax credit will incentivize increased ethanol blend production, expand market access for higher ethanol blends like E15, and provide farmers with a valuable additional revenue stream while reducing carbon emissions and decreasing dependence on foreign oil.

We strongly urge the committee to advance House Bill 2012 as a forward-thinking measure that supports Kansas cooperatives and their farmer members and strengthens rural economic development.