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Testimony on the HB 2502 to The Senate Agriculture Committee

By David Widmar, Economist Kansas Department of Agriculture

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Good morning, Chairman Taddiken and members of the committee. I am David Widmar, economist with the Kansas Department of Agriculture. Today, I'd like to share with you the economic impacts of the Kansas Pork Industry.

In 2010, the value of Kansas pork production was \$441 million. Based on Kansas Department of Agriculture estimates, the pork industry created 3,900 jobs and contributed \$416 million to the state's Gross Domestic Product, or GDP. On average, each pig in Kansas has an economic impact of generating an additional \$135 in state GDP.

The department has been approached about opportunities to grow and expand pork production in Kansas. Currently, members of the pork industry have identified Kansas as a preferred location into which they would like to expand. One example is a company looking for investment partners to build two facilities per year over the next five years. One of these investments will generate \$14.1 million in new construction. Kansas Department of Agriculture estimates show that one of these complete investments will have an economic impact of creating more than 200 jobs in the state and contribute \$21 million to the state's GDP.

A second opportunity of which KDA is aware is a single investment that could have an economic impact of expanding the state's GDP by more than \$200 million and create nearly 2,000 Kansas jobs.

House Bill No. 5205 will better position Kansas to attract swine production facilities as well as the businesses that support these facilities. According to the United Nations, global food production will need to double by 2050. This estimate reflects anticipated changes in global population, economic activity, and consumer preferences. KDA believes this bill will help Kansas retain its position as a leader in animal agriculture production.

Based on current global trends and the estimated economic benefit to Kansas that expanded pork production could bring, the Kansas Department of Agriculture supports House Bill No. 2502. This legislation will allow Kansas to be better positioned for increased pork production within the state.

I will be happy to answer any questions you may have at the appropriate time. Thank you.