



March 7, 2012

**Legislative Report of the Kansas Sunflower Commission
House Agriculture and Natural Resources Committee**

Chairman Powell and members of the Committee, my name is Cameron Peirce; I am from Hutchinson, Kansas and currently serve as the Vice-Chairman of the Kansas Sunflower Commission. Thank you for the opportunity to share some thoughts about the sunflower industry in Kansas and the Commission's use of check-off dollars authorized by the Legislature.

In fiscal year 2011 (10/1/2010 to 09/30/2011) the Kansas Sunflower Commission collected \$120,190.14 in check-off dollars from Kansas sunflower growers. That is approximately a 48 percent increase from the previous year's collection. This year we received refund requests for \$2,848.59 which means the Commission received gross check-off dollars of \$117,341.55. The percent of refunds requested remained steady from 2010 at a rate of 2.3%. As of March 1, 2012, the Commission has assets totaling \$128,910.62. As required by KSA 2-3005(k), attached to my testimony you will find our annual audit report. Again this year there were no irregularities found in KSC financial statements.

The net increase in check-off dollars this year reflects the assessment increase that was put in place this year. As we reported to you last year, the Commission increased the assessment from 3 cents to 5 cents per 100 pounds of sunflowers with the intention of increasing research in both weed control in sunflower and improved yields through genetic research. I think you will see from the rest of my testimony we are following through on that plan.

Under the agreement the KSC has used since its inception in 2002, one-half of the check-off dollars collected in Kansas are sent to the National Sunflower Association in Mandan, North Dakota for funding of research specific to sunflowers. This year we sent \$60,018.85 to NSA for research. Money contributed by Kansas sunflower growers is leveraged many times to produce critical, weed, insect, genetic and agronomic research. A great deal of that research takes place in Kansas at K-State research stations. For your information, I have attached a list of those projects to my testimony. Projects on this list and another I will summarize below, total over \$70,000 directly coming back to Kansas researchers for sunflower work from the NSA.

I would like to share some exciting concepts and preliminary results with you of research done here in Kansas in cooperation with the National Sunflower Association. Dr. Phil Stahlman is examining alternatives for *Palmer amaranth* (pigweed) control in sunflowers. Weed control is one of the greatest challenges for sunflower growers, and pigweed is particularly difficult to manage. This work is performed using facilities and staff at the K-State research station in Hays. This multi-year study will look at herbicides traditionally used on other crops and their effectiveness on pigweed in sunflowers. There are two other aspects of the study you can read about on the attachment at your leisure, but this study is vitally important to the sunflower industry. Preliminary results show one new product licensed through BASF is showing good weed control with little to no impact on sunflower. If these trials prove successful and the products are affordable, sunflowers may once again compete as a profitable primary crop in Kansas.

The Commission will continue to fund a planting date study through K-State examining how late sunflowers can be planted at various locations across the State and still produce profitable yields. My point in sharing these research efforts with you is to demonstrate that the Commission is using check-off dollars to directly benefit Kansas sunflower growers.

Mr. Chairman the Kansas Sunflower Commission continues to look for opportunities to promote the sunflower, increase acres planted in our State and provide valuable crop research. We want to thank the Legislature for its continued support of our efforts and thank you for your time today. I would be happy to answer any questions you may have at the appropriate time.

Kansas Sunflower Research Projects 2011/12

Development of Resistance to Stem and Seed Insect Pests of Sunflower in the High Plains

Rob Aiken KSU Colby

Rob is evaluating selected breeding lines, accessions, and interspecific crosses in screening nurseries for resistance to the sunflower stem weevil, sunflower longhorned beetle, and sunflower moth in Kansas.

Mitigation of Yield Losses to *Dectes texanus* in Dryland Sunflowers

J.P. Michaud, K-State

J.P. evaluated two stay-green hybrids for their potential to mitigate losses to (*Dectes*) in dryland oilseed sunflower. He is quantifying the degree to which the 'stay green' trait will retard the desiccation of sunflower stalks and delay the onset of girdling by *D. texanus* larvae, and other stalk insects, in comparison with a conventional NuSun hybrid.

Managing Deficit Sprinkler Irrigation for Sunflower Production

Freddie Lamm K-State

Freddie is examining the effects of 12 different irrigation management regimes every 4, 8, or 12 days with irrigation season starting dates of July 1 or July 15 and with and without preseason irrigation. His research will be based on three different sunflower plant populations on canopy formation, components of seed yield, water use and water use efficiency.

Row Spacing and Population Effects on Double-Cropped Sunflower Productivity

Rob Aiken KSU Colby

His research will determine effects of row spacing, population and hybrid on sunflower development and productivity, when double-cropped after wheat.

Mitigating the Threat of Palmer Amaranth to Sunflower Production

Phil Stahlman KSU Hays

Phil is evaluating experimental compounds and herbicides labeled for use in other crops that might have potential for use in sunflower; investigating ways to improve the performance of labeled herbicides and perform cost/benefit ratio analysis for economic comparisons of treatments; and determining if Express-Sun™ or Clearfield™ sunflowers double cropped after winter wheat offer any protection against soil residues of sulfonylurea or imidazalinone (principally imazamox) herbicides applied to wheat.



January 10, 2012

Board of Directors
Kansas Sunflower Commission
Rossville, Kansas

Independent Auditors' Report

We have audited the accompanying statements of assets, liabilities, and net assets — cash basis of Kansas Sunflower Commission (the Commission), a quasi-municipal entity, as of August 31, 2011 and 2010, and the related statements of revenue, expenses, and changes in net assets — cash basis for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Kansas Sunflower Commission as of August 31, 2011 and 2010, and its revenue, and expenses for the years then ended, on the basis of accounting described in Note 1.

Varney & Associates
Certified Public Accountants
Manhattan, Kansas

Independent Auditors' Report

KANSAS SUNFLOWER COMMISSION
 Rossville, Kansas
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS
 August 31,

		2011	2010
	ASSETS		
Current Assets			
Cash		\$ 148,976	\$ 113,134
TOTAL ASSETS		\$ 148,976	\$ 113,134
	NET ASSETS		
Net Assets		\$ 148,976	\$ 113,134
TOTAL NET ASSETS		\$ 148,976	\$ 113,134

Financial Statements

House Ag. & Natural Resources
 March 7, 2012
 Attachment 5-4

See Independent Auditors' Report.
 The accompanying notes are an integral part of these financial statements.

KANSAS SUNFLOWER COMMISSION
 Rossville, Kansas
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - CASH BASIS
 For the Years Ended August 31,

Financial Statements

	<u>2011</u>	<u>2010</u>
REVENUE		
Check-off collections	\$ 120,877	\$ 81,425
Interest	2,505	2,707
Refunds	(2,849)	(1,873)
Reimbursements	-	1,125
Total Revenue	<u>\$ 120,533</u>	<u>\$ 83,384</u>
EXPENSES		
Administrative		
Dues	\$ 40,522	\$ 45,454
Commissioner travel	4,035	4,488
Contract labor	19,249	18,760
Office expense	1,770	1,399
Audit fees	6,624	5,545
Marketing position support	6,239	10,527
Miscellaneous	125	147
Program		
Sponsorships	6,127	4,650
Total Expenses	<u>\$ 84,691</u>	<u>\$ 90,970</u>
INCREASE (DECREASE) IN NET ASSETS	\$ 35,842	\$ (7,586)
NET ASSETS - BEGINNING	<u>113,134</u>	<u>120,720</u>
NET ASSETS - ENDING	<u>\$ 148,976</u>	<u>\$ 113,134</u>

See Independent Auditors' Report.
 The accompanying notes are an integral part of these financial statements.

KANSAS SUNFLOWER COMMISSION
Rossville, Kansas
NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

Notes To Financial Statements

Note 1: Summary of Significant Accounting Policies

Organization

The Kansas Sunflower Commission (the Commission) is organized as an instrumentality of the state to conduct a campaign of sunflower promotion and market development through research, education and information. The Commission receives an assessment that is levied on sunflowers marketed through commercial channels in the State of Kansas. The grower may obtain a refund of the assessment upon proper submission of documentation within one year of sale as long as the refund requested is \$5 or more.

Method of Accounting

The financial statements are prepared using the cash basis of accounting, which differs from generally accepted accounting principles in that revenues are recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred.

Income Taxes

The Commission is a quasi-municipal entity that is not subject to income tax and, accordingly, no provision has been made for income taxes.

Pension Plan

There is no formal pension plan.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

Cash equivalents include all cash and investments with an original maturity of three months or less.

Note 2: Cash Deposits

At August 31, 2011, the carrying amount of the Commission's deposits was \$148,976. The bank balance was \$148,976 and was held by two different banks. All \$148,976 was secured by FDIC insurance.

At August 31, 2010, the carrying amount of the Commission's deposits was \$113,134. The bank balance was \$113,134 and was held by two different banks. All \$113,134 was secured by FDIC insurance.

Note 3: Subsequent Events

Management has evaluated subsequent events through January 10, 2012 which is the date the financial statements were available for issuance.