



Kansas Association of Wheat Growers

Good Afternoon Chairman Johnson and members of the Committee,

Thank you for the opportunity to comment today in opposition of HB 2740. This testimony is being submitted on behalf of the Kansas Association of Wheat Growers.

KAWG is a farmer-governed organization that represents wheat growers on all legislative matters affecting wheat and agriculture in Kansas. Based in Manhattan, KAWG is funded by wheat farmers and works in diverse policy areas such as state and federal farm policy, trade, environmental regulation, agricultural research, tax, and sustainability. Wheat is planted on 7.8 million acres in Kansas and grown in 84 counties.

I would like to begin my testimony by stating that in addition to farming, many Kansas producers spend countless hours volunteering in their communities. Whether it be serving as a volunteer rural fire fighter, on county commissions, school boards, or even the legislature, giving back is just part of a farmer's way of life. Because of this, the farmers in our organization recognize the severity of the situation surround our school funding and the financial situation it puts our state in. We know that we must find a solution to the never ending cycle of litigation we seem to be stuck in. However, this legislation is not that solution.

The way to balance the budget isn't on the backs of farmers. We simply cannot afford it, both as a state and as an industry. According to the Kansas Farm Management Association, net farm income has dropped 73% since 2012. In 2016, 35% of Kansas farms lost money, and 16% of all Kansas farms lost \$50,000 or more. While revenues have gone down, the cost of production and expenses have gone up. From 2009 to 2016 the cost of production has increased almost 50%. An increase in property taxes would just further increase expenses for all farmers when times are already tough.

A state-wide mill levy would result in an increase in property taxes paid by Kansas farmers. We must keep in mind that unlike most industries, Kansas farmers are beholden to the forces of an international marketplace and are unable to pass additional costs on down the value chain. Any increase in property taxes would be taking money directly out of Kansas farmers' pockets.

The Kansas Association of Wheat Growers simply cannot support this, or any legislation that increases the tax burden on Kansas farmers. Legislation such as HB 2740 disproportionately affects farmers and places the state's school finance burden directly on their shoulders. For these reasons, we urge you to reject this legislation.

Daniel Heady
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