SOYBEAN & OTHER OILSEEDS SECTOR

2025 KANSAS AG GROWTH REPORT

OVERVIEW

The Kansas oilseed sector of the Kansas agricultural industry includes the production of soybeans, sunflower, canola and industrial hemp. Additionally, first purchasers of these oilseeds — including but not limited to crushers, refiners, and biodiesel and renewable diesel manufacturers along with industrial hemp extractors — are a part of this sector. These crops end up as our food, feed, fuel, fiber, and beyond.

The co-products from the production of these oils are also an important part of the oilseed sector, as soybean meal is a major ingredient in the livestock feeding business. Oilseeds are a successful crop in dryland and irrigated regions of Kansas, and advancements through genetics and crop management continue to make them even more efficient. Demand is strong for oilseed products both domestically and internationally, and production would grow even more if Kansas had additional processing options in the state.

CHALLENGES

Although great potential exists in the oilseed sector, several challenges still present barriers to growth. The capacity at available processing plants means some oilseeds are shipped out of state for further processing, leading to lower prices at the farm level. Declining water in some regions of the state is a threat to growers, and some advancements that aim to make soybean production more water-efficient have fallen prey to negative consumer perceptions of biotechnology.

For the 2025 growing season and going forward, Kansas industrial hemp producers are licensed through the U.S. Department of Agriculture. In 2024, Kansas producers reported planting 2,150 acres of hemp with only 900 acres being harvested.

STRATEGIC GROWTH

Efforts to recruit new businesses — especially first purchasers, processing plants, and end users including livestock production — would benefit current and future growers. Collaboration with industry organizations and agricultural researchers could contribute to technological advancements and public outreach, which will need to work together.

Kansas Department of Agriculture

STATUS

In 2024, Kansas ranked 11th in soybean production with 154.7 million bushels, 8th in sunflower production with over 9.9 million pounds, and 7th in canola production with 9.6 million pounds. The state currently has three soybean crush facilities and one multi-purpose soybean/canola crush facility. The oil is utilized as vegetable oil for food products or further processed into biodiesel, renewable diesel, and other industrial products.

According to estimates prepared by the Kansas Department of Agriculture and based on the IMPLAN economic data model, the soybean and other oilseed industry in Kansas has a direct output of $2 billion and creates 1,420 jobs in the state. Through indirect and induced impacts, the industry supports a total of 7,876 jobs and creates a total economic contribution of approximately $3.3 billion.

The pro-business climate makes Kansas a prime location for oilseed processing to expand. The climate would be improved by an increase in the resources available to farmers to help support the production of alternative oilseeds such as sunflowers, canola and industrial hemp. The genetic technology to make more acres in Kansas suitable for soybean production would also benefit this sector. Increased biodiesel and renewable diesel production and consumption with efforts similar to those employed for ethanol production would increase demand for this product as well.

SUCCESSES

- The U.S. market utilized more than 5 billion gallons of biodiesel and renewable diesel for the first time ever in 2024. North American oilseeds continue to be the primary feedstock for production of these cleaner renewable fuels. Biofuels producers utilized nearly 13 billion pounds of soybean oil alone in 2024.
- In 2024, Barlett opened a crush plant in Montgomery County handling up to 49 million bushels of soybeans annually. Scoular renovated and reopened a crush plant, with a capacity of 11 million bushels of canola/soybeans annually.
- PepsiCo launched a pilot program to utilize 100% biodiesel in diesel trucks out of their Topeka logistics center and now it's being adopted full scale across the nation in their fleet.
- Kansas Soybean took every K-State student graduating with their master's in dietetics on a farm tour. This allows these food experts to gain an understanding of where their food starts. Tours and outreach will expand to include KU students in 2025.
- Along with state and national partners, over the past two years, Kansas Soybean farmers have been to over 20 countries, hosted numerous trade teams, and engaged in a variety of ways to build relationships with international customers to develop demand and preference for U.S. soy. The IGP Institute has hosted over 80 courses from over 44 countries with an emphasis on purchasing, feeding, and storing U.S. soy. They have directly supported the work of the U.S. Soybean Excellence Centers that have over 15,000 participants in courses supported by IGP staff.
- Over the past decade, the winter canola breeding program at K-State has shifted much of its focus to hybrid parent line development. Hybrids have routinely shown higher yields and oil content values than traditional varieties, and they also provide added risk mitigation factors such as pod shatter tolerance.
- The recently passed reconciliation bill includes improvements to the Clean Fuels Production tax credit (45Z). Examples include eliminating indirect land use change in credit calculations and credit qualification based on feedstocks grown exclusively in the U.S., Canada, or Mexico. These changes are especially supportive to canola and other low-carbon feedstocks, ensuring robust markets and more certain incentives for renewable fuels stakeholders.