

## MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairperson Garrett Love at 8:38am on Tuesday, January 27, 2015, 159-S of the Capitol.

All members were present except:

Senator Ralph Ostmeyer – Excused

Senator Mitch Holmes – Excused

Committee staff present:

Heather O'Hara, Legislative Research Department

Sara Leavitt, Kansas Legislative Committee Assistant

Mark Savoy, Legislative Research Department

Natalie Scott, Office of Revisor of Statutes

David Wiese, Office of Revisor of Statutes

Conferees appearing before the Committee:

Jackie McClaskey, Secretary of the Kansas Department of Agriculture

Others in attendance:

[See Attached List](#)

### **Guest speaker:**

Chairperson Love opened the floor for bill introductions. As there were none, the meeting proceeded with a presentation by guest speaker Jackie McClaskey, Secretary of the Kansas Department of Agriculture.

During her presentation, Secretary McClaskey spoke primarily from her official written testimony ([Attachment 1](#)) while also referencing portions of the Kansas Department of Agriculture 2014 Annual Report and a variety of other supporting documents ([Attachment 2](#)).

The Secretary spoke to the mission and vision of the agency as related on page 1 of Attachment 2. She also stated four primary goals of growing the agricultural economy (the largest industry in the state), advocating for agriculture and how it serves all citizens of the state, working with federal and other partners, and balancing agency goals with regulatory and statutory responsibilities.

In terms of workforce development, Secretary McClaskey spoke of creating a "best-in-state plus" workforce and work environment, making the department a place where employees want to come to work to serve the citizens of state, by targeting both agency structure and professional development activities. The agency is not big, but it is diverse. Each program and division identifies its own priorities in line with agency priorities. This document directs work on a daily basis, and next year's report will focus on the document and progress made. (see Attachment 2, page 1)

The Secretary mentioned that the annual report covers five divisions of the agency: agricultural business services, the division of animal health, the division of conservation, the division of marketing, and the division of water resources. In addition, the agency is comprised of administrative services and

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20 different programs.

She went on to highlight a few program successes:

- In the meat and poultry industries applying new stricter regulations for humane handling of animals in a way that still allows businesses to operate.

(see Attachment 2, page 35)

- With the Dairy Inspection program and ACAP (the Agricultural Commodities Assurance Program) transitioning to doing inspection work electronically rather than on paper in order to increase efficiency and provide better customer service.

(see Attachment 2, pages 30 and 32)

- Weights and Measures has established an agreement with Barton County Community College to conduct training and testing of technicians in order to provide better service to agency clients.

(see Attachment 2, page 38)

- Implemented online water use reporting system. This year to date there have already been more users than for this entire time period (until March) of 2014.

(see Attachment 2, page 2)

A Kansas Department of Agriculture (KDA) team conducted around 300 meetings with more 12,000 Kansans to develop a 50 Year Water Vision. Outcomes from that vision set policy priorities.

(see Attachment 2, page 53)

Emergency preparedness and management is a priority. Preparation in regard to livestock and crop diseases is absolutely critical, and KDA is using foot and mouth disease as an example to prepare for potential outbreaks. (see Attachment 2, page 42)

KDA is working with the US Senators from Kansas regarding federal policy on control of water within state borders.

The Secretary reported that the agency moved its primary offices to Manhattan last June after looking at financial and mission-based components. In general they have found it to be very successful. There has been a higher turnover rate than normal. It is leveling out, but is expected to continue for the next couple of years to a certain degree. KDA now feels more able to work in partnership with Kansas State University (KSU). The move made sense considering the two institutions are the first state agency devoted to agriculture in the country and the first land grant university in the country. KDA has secure pork and poultry supply plans, however a similar plan does not yet exist for beef. The USDA has reached out to the KSU College of Veterinary Medicine and KDA to develop a plan together, funded by all three institutions. Another area of cooperation has been the Wheat Genetics Resource Center. The Secretary feels that the list of things they have done together is very important, and while some may say that they could have done these things from anywhere, in reality meetings and partnerships have developed that would not have otherwise. Additionally, KSU is helping provide information technology, grounds, and facilities services. (see Attachment 2, page 2)

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Secretary McClaskey stated a number of figures relating to the importance of agriculture to the state economy. Agriculture and related sectors contribute 37% of the gross regional product and 12% of the state's employment. It is hands down the largest economic force in the state. It is the largest exporter, totaling 43% of total exports. Upon adding in contributions from food retail and restaurants, which are closely linked with agriculture, food, and food processing, these numbers jump to 19% of total employment and 44% of the gross regional product, or more than 63 billion dollars in output. (see Attachment 2, pages 11-16)

The Secretary commented on another area of collaboration between KDA and KSU: interns. The agency has increased its economic efficiencies, saving \$18,000, while helping students to see opportunities for public service in agriculture by employing between 20 and 25 student employees. Josh Roe's group has compiled county-by-county agricultural data, ultimately showing how agriculture is critical to every county in the state. Handouts were provided to Senators of the counties in their respective districts.

Secretary McClaskey mentioned that the agricultural marketing division has been in the agency for about three-and-a-half years and includes four areas: business development, international, domestic trademarks, and education and events. KDA has been out talking to agricultural and related businesses, many of which have goals that they don't know how to reach. In response, KDA has developed several licensing guides for different kinds of businesses. (see Attachment 2, pages 17-23)

Also within the agricultural marketing division, the trademark program has been renamed to *From the Land of Kansas*. Program Statistics Pages 25-26, Attachment 2. In the international program, for fiscal year 2014 there were seven outbound trade missions and six inbound trade and buying missions, with at least six outbound trips and four inbound trips scheduled for fiscal year 2015. This team is led by J.J. Jones, a new employee for the position. (see Attachment 1, page 2)

In 2014 the KDA held the first Trademark and farmers' market conference; the registration was supported by previous legislation from the Senate Agriculture Committee last year. There are plans to hold the second annual conference in February. (see Attachment 1, page 3)

While the KDA does not have a formal workforce development program, the agency hears from a number of sources that many people want to work in agriculture. Thus, they are building up agricultural education and working on certificate programs and looking for additional opportunities with the Kansas Department of Health & Environment.

Based on the Farm Bureau Governor's Tour a few years ago and the question of how to add value in southeast Kansas, the Department took the advice of extension agents in Missouri to hold a value-added heifer sale. The first Sunflower Supreme auction was held last November, with more than 400 head of cattle sold. (see Attachment 2, page 45)

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In response to the water vision document, there have been many requests for information from FFA and 4-H members who have chosen to compose their speeches on water issues. Subsequently, a KDA intern developed a quick guide for students on the main points of the water vision, which is included on pages 3-10 of Attachment 2.

At the close of her presentation, Secretary McClaskey called for questions.

Senator Kerschen, committee vice-chairperson, commented that the Food and Farm Task Force came out of the Senate Agriculture committee last year, and they could not have accomplished what they needed to do without the help of KDA staff, who did an excellent job.

Senator Abrams, referring to the county-by-county agricultural data, wondered how the direct effect could be higher than the actual output for a given county. The Secretary explained that this situation results from input that comes into the county that doesn't originate there. Josh Roe continued by saying that the gross regional product comes from production and consumption in a county minus imports into the county. Rural counties often have high levels of imports, making the gross regional product relatively small. Therefore, production from large sectors within a county can be greater than the gross regional product. Another statistic that is tracked is value added, which takes into account things like income created.

Senator Abrams continued by saying that the county-by-county fact sheet provides a great introduction for speeches and talks to local organizations, and wondered if the same information could be compiled for the manufacturing, aviation, and consumer retail industries related to agriculture. Secretary McClaskey and Mr. Roe responded that they believed that would be possible.

Senator Powell noted that looking at meat and poultry inspections the number of animals slaughtered had dropped by 25%. The Secretary responded that it was due to the fact that some plants that were previously inspected by the state are now inspected by the federal agency. The number of inspectors employed is based on the number of days the plants are open.

Senator Powell continued with questions on the number of investigations of agricultural pesticide misuse (see Attachment 2, page 37) as well as on restaurant inspections. Secretary McClaskey responded that the number of pesticide investigations is in addition to the normal daily routine inspections. She noted that, while all restaurants that fail inspections are usually noted in the public record, most are minor issues that are fixed fairly quickly once identified, before the inspector returns two weeks later. A few restaurants last year chose to close because they did not want to make the changes, but none were forced to close by KDA.

Senator Powell continued by asking if one has a water right, does that not mean one has a property right and owns that water? The Secretary responded that a water right entails a right to access that

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amount of water for beneficial use. She referenced investigations into water in southwest Kansas that have been in the news, stating that they were due to concerns about fraudulent meters in that area. While the KDA has authority in working with water rights' holders, it has no authority over water meter technicians. There was a question of where the fraud is occurring, and is it considered a criminal activity or consumer fraud. KDA doesn't have the experience to identify where and when the fraud occurs. They asked the Attorney General's office to sit down with KDA staff and advise on how to act or whether the Attorney General would look into it further. After asking a series of questions over time, the AG's office decided they needed to look into it further. At that point, KDA just provided technical assistance. Warrants were served last week and it is an ongoing investigation.

Senator Hawk asked why food and drink establishments were considered in the county-by-county agricultural data. Josh Roe responded that the figures demonstrate how those services are impacted by the agriculture industry, since farmers and Coop. workers do go out to eat.

Senator McGinn followed up on Senator Abrams request. She commented that 22% of the state's revenue comes from aviation and its subsidiaries, and asked for information on agricultural exports vs. aviation exports. Secretary McClaskey noted that sometimes reports can be unclear, as agriculture numbers combine several related sectors (three of the top four sectors in the state are agricultural), while aviation is more of a standalone sector.

Senator McGinn continued with a question about weights and measures, asking about price verification at the large scale (i.e. cooperatives) vs. the small scale (grocers). She noted on pages 38-39 of Attachment 2 that inspections on both sides have decreased significantly since 2010. Secretary McClaskey commented that there was a significant cut in Weights and Measures before she entered the position, and that they have gradually been trying to build it back up since then.

Senator McGinn commented that she is more concerned with verification at grocery stores than at grain scales due to receipts with incorrect prices that she has received at three major grocers. She wondered if their scales were off or if they weren't being tested. Secretary McClaskey responded that there had been some internal rearranging to better balance the workload in this program, and new inspectors are being brought in. The department is discussing with impacted parties whether fees and penalties are appropriate. The goal is for retailers to be able to fix these issues rather than simply refunding customers' money when there is a mistake. They do this because store computers are often so tied into the mainframe that they are not able to make changes themselves when there is a problem.

Senator McGinn requested that someone from the KDA walk through the budget with her, and also expressed that she hopes they are not moving away from traditional issues such as grain cooperatives and fertilizers and pesticides. Marketing and other new things are great, but hopefully they are not happening at the expense of traditional agriculture. The Secretary replied that the marketing division is generally a standalone item, and other projects such as the wheat genetics resources center are funded by "pass-through" money and do not come from the department's funding.

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Senator Bowers stated that she is a fan of the *From the Land of Kansas* program, but wonders what legislators can do to include counties that are not yet represented. Secretary McClaskey said that the first step is to make connections with potential members in the district such as civic clubs and other organizations. In some cases this assistance is not desired, and counties don't always understand the benefits. The Secretary noted that marketing a program while still building it is difficult; one potential solution is promotion of the use of the logo by qualified members.

Senator Francisco followed up on Senator Bowers comments by asking that legislators be provided with the names of *From the Land of Kansas* members in their respective districts to include in newsletters. She also requested information relating to the economic impact of the contributions of agricultural fees and taxes on the state budget.

Senator Kerschen requested verification of a statistic relating to overall annual milk production in pounds found on Attachment 2, page 32.

Senator Hawk commented on the importance of the Riparian and Wetland program, and stated that the level of funding dedicated to the program (see Attachment 2, page 44) seems woefully inadequate considering the large role it plays in long term water quality. Since the Kansas Forest Service has received a large grant, the Senator wondered if they will work with the KDA on that program.

There being neither further questions nor additional business, the meeting was adjourned at 9:30am.