

Held in Room 423-S, at the Statehouse at 9:00 a. m./~~p.m.~~, on February 11, 19 81.

All members were present except:

The next meeting of the Committee will be held at 9:00 a. m./~~p.m.~~, on February 12, 19 81.These minutes of the meeting held on February 11, 1981 were considered, corrected and approved.
Chairman

The conferees appearing before the Committee were:

Don Watson - Kansas Grain Inspection Dept.

Sam Reda - Kansas Grain Inspection Dept.

The meeting of the House Agriculture and Livestock Committee was called to order by William Beezley, Chairman. Chairman Beezley introduced Mr. Don Watson of the Kansas Grain Inspection Department. Mr. Watson stated that as a result of the large wheat crop, as of December 1, 1980, warehouses were running about 70% full. The grain that is moved has to stop at Denver on its way to western ports and pay an \$80.00 stoppage charge. The Grain Inspection Department has budgeted \$57,000 for a grain inspector and two freight men to bypass this step in the procedure by creating a new inspection point at Colby that will encompass approximately 16 counties and will result in a savings of one to two cents more for the producer and will deal with 100% of the value of the grain. Mr. Watson answered questions regarding state and federal licenses, demurrage, scales and so forth.

The meeting then was turned over to Mr. Sam Reda, Chief of the Warehouse Division, who explained what was happening in the case of a Missouri grain elevator that had gone bankrupt. The judge seems to be proceeding in a way not anticipated in a case of this kind. The usual way to proceed in a situation of this kind is to estimate the liabilities, the grain is sold or given back to the producer, and the bond makes up the difference. Several statistics regarding bond requirements were cited. Bonds are issued for one year. Most of the bonds run \$5.00 per \$10,000.00, \$2.50 the next \$15,000.00 and \$1.25 thereafter. The federal authorities will let elevators consolidate even when they are in different states, but the state elevators can only consolidate from a general area. The state and federal laws are almost identical, but the State Grain Inspection Department tries to remain self-supporting. Many elevators want a state license rather than a federal license regardless of the cost difference because they can get answers to their questions when they need them and not several weeks or even months later. Mr. Reda would like to see all grain elevators required to have a state license. He said that there are fifteen states that do not have any warehouse laws, so the federal license is needed. There is no difference between a scale ticket and a warehouse receipt.

Chairman Beezley thanked Mr. Watson and Mr. Reda. Minutes were approved and the meeting adjourned.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.