

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND LIVESTOCK

Held in Room 423-S, at the Statehouse at 9:00 a. m./~~p.m.~~, on February 25, 1981.

All members were present except:

The next meeting of the Committee will be held at 9:00 a. m./~~p.m.~~, on February 26, 1981.

These minutes of the meeting held on February 25, 1981 were considered, corrected and approved.


Chairman

The conferees appearing before the Committee were:

Tom Tunnell - Kansas Grain & Feed Dealers
Scott Woodbury, Gen. Mgr. Burlingame Co-op Elevator
John Miller - Committee of Kansas Farm Organizations

Chairman Beezley called the meeting to order and asked the sponsor of a group of high school students to tell about their organization. The sponsor, Gene Miles, Seaman High School stated that ^{the} organization, Close Up is composed of a group of seventeen northeast Kansas schools. Many of the students in the group had been to Washington, D.C. to attend committees and seminars; to watch government in action.

Rep. Crowell made a statement to the fact that Mr. Walsh, who appeared before the Committee yesterday, was here strictly for information purposes only and had no bearing on how the bill would be handled. Rep. Crowell commented that it would be good to wait and see what Iowa does and let the bill lay until next year.

HB 2390 - Grain Storage Indemnity Fund

Raney Gilliland, Research Dept., gave a brief outline of the bill. Rep. Hamm stated that this bill is patterned after Oklahoma law. It is of interest to farmers this year, as also is the Missouri case. Rep. Hamm passed out a paper showing losses that certain grain elevators had. (See Attachment I) He stated that farmers need some kind of protection. After Rep. Hamm finished his presentation he stated that he would be glad to answer any questions. Many of the members responded with their questions and comments.

Mr. Tom Tunnell, Ks. Grain & Feed Dealers stated that this organization involves about 95% of the grain business, both co-op and independent. Mr. Tunnell said that there had been quite a discussion among upper level managers regarding this bill. They are not going to oppose the bill, but are not going to be proponents of the bill either. His organization would like to see this bill tabled until it can be brought before a study committee. Mr. Tunnell was very concerned about the Missouri case. He stated that we must maintain the integrity and credibility of warehouse receipts. We want to have the strict restrictions. Some members of his organization would like to see a criminal prosecution clause put into the bill. Asked about his feeling toward state licensing of all elevators, Mr. Tunnell replied that he would have no objection as he feels the state inspectors are competent and he thinks highly of them.

CONTINUATION SHEET

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Mr. Scott Woodbury, General Manager, Burlingame Co-op Elevator, Burlingame, KS., came to address the Committee from a local point of view. He stated that question why should a reputable firm subsidize someone that is not in good shape. He commented that 90% of the firms that go bankrupt do so through poor management. Mr. Woodbury answered several questions put to him by Committee members.

Mr. John Miller, Committee of Kansas Farm Organizations, spoke briefly. He recommended that an interim study be done of this bill.

Chairman Beezley thanked the conferees, reminded the Committee of the next day's meeting and asked for action on the minutes. The minutes were approved and the meeting was adjourned.

THE STATE OF KANSAS



GRAIN INSPECTION DEPARTMENT

GENERAL OFFICE
WAREHOUSE DIVISION
PHONE (913) 296-3451
535 KANSAS AVE., 8TH FLOOR
TOPEKA, KANSAS 66603

S. J. REDA, CHIEF

February 2, 1981

13 Year Averages
Licenses - 825
Capacity - 550,000,000

LOSSES FROM OCTOBER 1, 1967

13 Year Loss
Bonding Company \$421,134.
Producer \$322,180.

- 1. (1967) Farmers Coop @ McPherson
Producers loss - -0-
Bonding Company loss \$41,011.00
2. (1973) Farmers Coop @ Victoria
Producers loss - \$ 8,000.00
Bonding Company loss \$10,000.00
3. (1976) Dighton Grain Company - Dighton, Kansas
Producers loss \$67,180.00
Bonding Company loss -0-
4. (1975) Centerville Grain Company - Centerville, Kansas
Producers loss \$150,000.00
Bonding Company loss \$ 30,000.00
5. (1972) Maher Grain Company - Courtland, Kansas
Producers loss -- -0-
Bonding Company loss \$139,200.00
6. (1975) Canada Grain Co., Inc. - Canada, Kansas
Producers loss \$ 97,000.00
Bonding Company loss \$145,023.00
7. (1976) Way-More Feeds, Inc. - Parsons, Kansas
Producers loss -- -0-
Bonding Company loss \$45,000.00
8. (1976) Hepler Grain Company - Hepler, Kansas
Producers loss -- -0-
Bonding Company loss \$10,900.00

Total
Producers loss
322,180
in 7 years