

Approved _____

Date

Fred A. Kerr 3/29/83

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

The meeting was called to order by Senator Fred A. Kerr at _____
Chairperson

10:00 a.m. ~~p.m.~~ on Thursday, March 24, 1983, 19____ in room 423-S of the Capitol.

All members were present except: Senator Ross Doyen (Excused)

Committee staff present: Raney Gilliland, Research Department
Bruce Hurd, Revisor's Office
Lorraine Cobb, secretary

Conferees appearing before the committee:

Dr. Gerald Gurss, Kansas Livestock Commissioner
Frank Mosier, Director, ASCS Program in Kansas

Senator Karr moved the March 10, 1983 minutes of the joint committee meeting be approved, seconded by Senator Norvell. Motion carried.

Senator Kerr informed the committee that he and Chairman Bill Fuller had recently been working on a late request from the Kansas Wheat Commission regarding a coordinator and half-time secretary for the International Grains Program in Manhattan. He said that so far he and Chairman Fuller were pursuing this recommendation on their own since there had not been time to inform the full committees. He said they had presented this request to the Senate Ways and Means subcommittee in charge of Kansas State's portion of the Board of Regents' budget. The amount requested was \$50,000 additional in the Agriculture Institute line item.

After some discussion, Senator Joe Norvell moved that we, as the Senate Agriculture and Small Business Committee, go on record as supporting the request for an appropriation for an International Grains Program Coordinator (Associate Director) and half-time secretary, to help coordinate and promote the functions of the IGP, seconded by Senator Gannon. Motion carried.

HOUSE BILL 2537

Raney Gilliland stated this bill was introduced at the request of the Kansas Animal Health Department. It relates to control and eradication of scabies in cattle and other animals. It would authorize the Livestock Commissioner to collect a fee of not more than \$3.00 to cover the cost of operating and maintaining dipping equipment made available by the federal government and would be expended for those same purposes.

Dr. Gurss stated they need the bill which would give them the right to collect the fee for the maintenance and operation of equipment for the dipping of cattle and animals who are suspected of having scabies. (See Attachment 1).

There was discussion about having a conceptual amendment to more clearly specify the bill pertains to cattle and animals suspected of having scabies and if the owner involved did not have the dipping equipment.

Senator Kerr asked committee members to get with the staff and draw up any conceptual amendments they might want to offer when the committee again meets on Tuesday, March 29, to further consider H.B. 2537, and other matters.

Frank Mosier distributed Attachment 2 published by the U.S. Department of Agriculture which points out the enrolled acreage represents 81.2% of the 230 million acres of total base acreage. Mr. Mosier reviewed the

(MORE)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS,
room 423-S, Statehouse, at 10:00 a.m./~~p.m.~~ on Thursday, March 24, 1983, 19

Kansas participation figures which indicate 90.3% are enrolled in the wheat program--12,638,845 of the base acres of 13,990,121 acres; this is broken down into the 20% acreage reduction, 30% option and the whole base option; the remaining acres are for conservation use and cannot be used for any mechanically harvested crop. A farmer could plant wheat and then use it for grazing. He also summarized the corn/sorghum; barley/oats participation.

Mr. Mosier stated under the PIK program, there could be no more than 45% of the base acres idled in any one county. Under the 20% acreage reduction program, one can back out without any penalty prior to June 1; there are stiff penalties for violating PIK contracts. He stated they did not have individual county reports yet but that all wheat bids were accepted. He felt all under the acreage reduction program would probably stay in for one more year.

Answering a question, Mr. Mosier stated he did not know the exact percentage figure on reductions at this time but roughly guessed it to be 30% for wheat.

Senator Thiessen questioned the effect of Australia and Canada increasing their wheat acreages. Mr. Mosier felt if we maintain our quality development our markets would be stable.

Senator Kerr questioned the effect on the mill levy collection and if the PIK grain would have a mill levy checkoff on it. Mr. Mosier stated he felt this question would be a state determination probably by the attorney general--whether the PIK grain can be considered a new crop grain and make the checkoff or if it would be considered as old crop grain.

Attention was called to Attachment 3, Secretary John R. Block's letter of March 9, 1983, addressed to Commissioners, Secretaries, and Directors of Agriculture.

Senator Kerr thanked Mr. Mosier for changing his schedule on short notice and appearing before the committee today.

The meeting was adjourned.

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SENATE

AGRICULTURE AND SMALL BUSINESS COMMITTEE

10:00 a.m., Room 423-S

Thursday, March 24, 1983
Date

NAME	ADDRESS	ORGANIZATION
Adrian Schmitz	Centralia	Farmers Union
Chris Heideman	Corning	Farmers Union
W. Oberding	Corning	Farmers Union
Suberter Smith	Centralia	Farmers Union
Livingston	WAC	Farmers Union
	WAC	Farmers Union
Jim Stauber	501 N. Maple McPherson, Ks	" "
Marilyn Stauber	McPherson	Farmers Union
Sherril Hall	McPherson	Farmers Union
Patrick Fajman	RR1 Ramona, Ks	Farmers Union
Gene Farnham	RR Embudo, Ks	" "
Keith Nelson	RR1 Ramona, Ks	Farmers Union
Arnold Pely	Dighton	K.A.W.C.
O. F. Cleburgh	RR2 McPherson, Ks	U.S.D.A.
G. D. Julius	Conservation	Health Dept
John Blythe	Manhattan	K.F.B.
Linaberge	Topeka	JP
Helen Stephens	Prairie Village	League Women Voters
Marna Stanger	Shawnee	SWD
Mike Beam	Topeka	KLA
B.A. Smarsh	Shawnee	Farmers Union
Doc Jacka	TOPEKA	Ks STATE BOARD OF AGRICULTURE
Gordon Swenson	✓	Ks State Bd of Agric.
Steve Burr	Salina	Ks Farmers Union
Vernon Deines	Ramona	Ks Farmers Union

GERALD D. GURSS, DVM
LIVESTOCK COMMISSIONER

STATE OF KANSAS



Robert E. Williams, DVM
CHAIRMAN, ANIMAL HEALTH BOARD

ANIMAL HEALTH DEPARTMENT
7TH FLOOR, 535 KANSAS AVENUE
TOPEKA, KANSAS 66603
TELEPHONE (913) 296-2326

M E M O R A N D U M

DATE: March 8, 1983
TO: House Agriculture and Livestock Committee
Senate Agriculture and Small Business Committee
FROM: Dr. Gerald D. Gurss, Livestock Commissioner
SUBJECT: House Bill No. 2537

Cattle scabies is caused by external parasites identified as Psoroptic bovis. This condition, or disease, is spread by contact and is classified as a reportable and quarantinable disease. It can be controlled and eliminated from a herd by dipping the animals in an approved chemical solution. Whenever epidemiology reports indicate that the incidence of cattle scabies has become high, federal and state restrictions are placed on the area or state that would prohibit intrastate and interstate movement of animals. This creates an expensive dipping requirement to the livestock industry.

For the past several years, the Kansas Animal Health Department and the Veterinary Services of USDA have worked together in an effort to control and eradicate cattle scabies in Kansas. Recently, Veterinary Services have been informed that all of the funds provided for cattle scabies control and eradication have been deleted. Veterinary Services have provided two portable dipping vats and four trucks and tanks that have been used in the dipping procedures where cattle scabies has been diagnosed. They have agreed to allow the Animal Health Department to use this equipment; however, all costs of maintenance and operation must be provided by state funds.

The reason for House Bill No. 2537 is to allow the Animal Health Department to collect and deposit funds for maintenance and operation of the equipment used in the cattle scabies program. The assessed fee will be based on the cost of maintenance and operation of the equipment and will not exceed \$3.00 per head. These funds will be collected and deposited in the Animal Health Disease Control and Eradication Program, in the Cattle Scabies Fee Fund. The cost of treating and controlling cattle scabies should be at the expense of the livestock producers.

We feel that this law is needed in the best interest of disease control and to the livestock industry.

By Way of a Postscript:

In FY '82, 17,935 animals were dipped and so far this fiscal year, we have dipped approximately 6,205 animals.

G. D. G.

Atch. 1

U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

March 22, 1983

1983 FARM PROGRAM ENROLLMENT REPORT

FINAL ACREAGE REDUCTION REPORT SHOWS 187 MILLION ACRES ENROLLED

Farmers have signed up in the 1983 acreage reduction and PIK programs 187 million acres of feed grain, rice, wheat, and upland cotton base acreage according to figures released today by the U.S. Department of Agriculture. The enrolled acreage represents 81.2 percent of the 230 million acres of total base acreage.

The signup was necessary to determine producer eligibility for program benefits such as Commodity Credit Corporation loans and purchases, PIK, target price protection and -- for wheat and feed grain participants -- eligibility for the grain reserve.

Base acreage enrolled includes 90 million under the feed grain program, 3.8 million under the rice program, 78 million under the wheat program, and 15 million under the upland cotton program.

Farmers who signed up to participate in the acreage reduction programs, announced prior to PIK, agreed to reduce the plantings of their base acreage of these commodities by at least 20 percent. With PIK, farmers have agreed to reduce plantings by an additional 10 percent to 30 percent of their base, and had the option to offer a bid to take their entire base out of production. The acreage taken out of production will be devoted to a conservation use.

Farms participating in only the regular 1983 acreage reduction and paid diversion programs have enrolled 66 million acres. Those signing up for the combined regular 1983 program and PIK program have enrolled 98 million acres, and those retiring whole bases have enrolled 22 million acres. Required conservation use acreage (CUA) for those signing up under the three program options is 82 million acres.

The 1983-crop national average loan rates are: barley, \$2.16 per bushel; corn, \$2.65 per bushel; oats, \$1.36 per bushel; sorghum, \$2.52 per bushel; wheat, \$3.65 per bushel; rice, \$8.14 per hundredweight; upland cotton, \$0.55 per pound.

Target prices for the 1983 crops are: barley, \$2.60; corn, \$2.86; oats, \$1.60; sorghum, \$2.72; wheat, \$4.30; rice, \$11.40; upland cotton, \$0.76.

The following tables show by commodity and state the number and percentage of farms and acreage enrolled in the programs.

2090

1983 COMMODITY PROGRAMS

Agricultural Stabilization and Conservation Service

Commodity	Base Acres	Acres Enrolled	Percent Enrolled	Acres Acreage Reduction	Required Conservation Use	Acres 10/30 Option	Required Conservation Use	Acres Whole Base	Required Conservation Use	Total Required Conservation Use
<u>KANSAS</u>										
Wheat	13,990,121	12,638,845	90.3	7,352,367	1,470,473	4,512,119	1,926,230	774,359	774,359	4,171,062
Corn/Sorghum	6,292,342	5,514,238	87.6	2,260,084	452,017	2,618,314	1,237,155	635,840	635,840	2,325,012
Barley/Oats	371,413	156,552	42.2	156,552	31,310	0	0	0	0	31,310
Cotton	300	0	0	0	0	0	0	0	0	0
Total	20,654,176	18,309,635		9,769,003	1,953,800	7,130,433	3,163,385	1,410,199	1,410,199	6,527,384
<u>NATIONAL</u>										
Wheat	90,806,013	78,308,888	86.2	31,745,012	6,349,002	38,883,843	18,023,534	7,680,033	7,680,033	32,052,569
Corn/Sorghum	103,059,533	78,824,412	78.0	19,635,169	3,927,034	45,325,032	21,695,418	13,793,230	13,793,230	39,429,878
Barley/Oats	19,055,944	11,540,851	60.6	11,540,852	2,308,170	0	0	0	0	2,308,170
Cotton	15,446,691	14,607,249	94.6	2,861,691	572,338	10,793,889	5,258,927	951,669	951,669	6,782,934
Total	228,368,181	183,281,400		65,782,724	13,156,544	95,002,864	44,977,879	22,424,932	22,424,932	80,573,551



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

March 9, 1983

Dear Commissioners, Secretaries, and Directors of Agriculture:

The Department has received numerous inquiries regarding its view as to whether a producer's sale of commodities received as compensation under the Department's Payment-in-Kind (PIK) program should be subject to the assessment imposed by some states on the initial marketing of agricultural commodities.

As you are aware, the Department collects an assessment in connection with the marketing of upland cotton by producers under the Cotton Research and Promotion Act. The funds derived from the assessment are used to support cotton research and market development. We have announced that we will collect the assessment in connection with the marketing of upland cotton received under the PIK program just as if the cotton were from the 1983 crop, thus assuring no disruption of funding for cotton research and market development activities.

Many states have similar research and development programs for other commodities, and officials in these states must decide whether the marketing of commodities received as compensation under the PIK program will be subject to assessment under these programs. It is our hope that the flow of funds into state research and market development programs will not be impaired by the PIK program. To that end, states may wish to consider an approach like the one we have adopted for the Federal cotton research and promotion program.

If you would like more information concerning our plans to collect the cotton research and promotion assessment in connection with the marketing of cotton provided as PIK compensation, please let us know by calling Howard Williams on 202-447-3391.

Sincerely,

A handwritten signature in black ink that reads "John R. Block". The signature is written in a cursive, flowing style.

JOHN R. BLOCK
Secretary

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