

MINUTES OF THE House COMMITTEE ON Agriculture and LivestockThe meeting was called to order by the Chairman, Bill Fuller at
Chairperson9:00 a.m./p.m. on January 26, 1984 in room 423-S of the Capitol.

All members were present except:

Committee staff present:

Raney Gilliland, Legislative Research Department
Kathleen Moss, Committee Secretary

Conferees appearing before the committee:

John Blythe, Kansas Farm Bureau
Mary Harper, American Agriculture Movement
Conrad Odell, Kansas Motor Carriers Association
Mike Beam, Kansas Livestock Association
Rep. Leary Johnson
Don Jacka, Assistant Secretary of Agriculture
Ivan Wyatt, Kansas Farmers Union

The meeting was called to order by the Chairman, who informed the Committee that time had been scheduled to hear individuals, organizations and agencies concerning proposals for the introduction of legislation. He explained that the sponsor of HB 2299 (Rep. Richard Harper), had asked that the bill be reintroduced or taken off the table. The bill relates to grain moisture testers and would require a two-thirds committee vote to remove it from the table.

It was moved by Rep. Polson and seconded by Rep. Johnson that HB 2299 be removed from the table. Motion carried by 17 yes and no opposing votes.

John Blythe distributed Attachment 1, which is the Indiana House Enrolled Act No. 1070, concerning the uniform commercial code. He told the Committee that several states have amended or eliminated their uniform commercial code.

Mr. Blythe referred to the Kansas Farm Bureau Resolutions 1984 (which booklet may be obtained from the Farm Bureau) He called attention to Page 3, last paragraph, concerning Commodity Commissions and International Grains Program. He said KFB supports this and feels the program should be promoted. He referred to Page 5 and called attention to KFB policy in support of grain moisture testers. He further called attention to Page 19, and urged support of their Resolution for agriculture teaching, research and extension services at Kansas State, and funding therefor.

No atch. 2
Mary Harper, legislative monitor for the American Agriculture Movement, appearing for Darrell Ringer. She mentioned two bills they are promoting: minimum pricing and a multi-state compact. She said they feel there is a place for it and want to have them considered again. She expressed the view that Kansas should take the lead in grain marketing. (See Attachment 3.)

Conrad Odell distributed Attachment 4, (and supporting material which appear as Attachments 5 and 6), which requests amendment to KSA 8-1906, concerning the transport of livestock. (See also Attachment 7.) He related problems he had encountered with manure spillage even though the truck traps were closed. He suggested an amendment in the first paragraph of KSA 8-1906, making it read as follows:

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Agriculture and Livestock,
room 423-S, Statehouse, at 9:00 a.m./~~p.m.~~ on January 26, 1984

"provided further that livestock transported in a trailer or semitrailer when such trailer or semitrailer properly is equipped with a cleanout trap and such trap is operated in a closed position, shall be exempt from this section."

Ivan Wyatt appeared to ask the Committee to introduce an Interstate Compact on Regional Agricultural Grain Marketing and Pricing. (See Attachments 8 and 9.) He told the Committee this would be an important step toward solving the marketing problem for the producer.

Mike Beam asked the Committee to consider legislation enhancing law enforcement powers for livestock theft investigators. He said they are sometimes confused with brand investigators. He said they have only two investigators but they do ask and get help from local sheriffs but they do not have the authority to carry firearms for their own protection. He said that other states give their investigators law enforcement powers and he urged the Committee to introduce legislation in this regard.

Rep. Leary Johnson urged the Committee to introduce legislation to provide Kansas State with funds (at least \$150,000) to research and look at alternatives in the Kansas wheat market, in regard to food stuffs, manufacturing (such as glues, glass and other products which might come from wheat); and to look for new markets. He said there is enough technology but they need funding.

Don Jacka appeared on behalf of the Department of Agriculture, requesting legislation which would provide for the Department to apply for, receive and administer federal funds. Also, he requested funding for the publication of the Kansas Report of Agriculture and Farm Facts, which was not published in FY 1984 because of 1983 budgetary action. In addition, the Department asked for updating of the General Dairy Laws; legislation dealing with filled milk and filled dairy products (needed since the Filled Dairy Products Act has been declared unconstitutional); an ice cream gallonage tax; licensing for pesticide businesses; and an update and codification of the Kansas Weights and Measures Act. (See Attachment 10.)

The Chairman announced that the Committee would take requests under advisement and review the materials. The meeting was adjourned at 9:59 A.M. The next meeting is scheduled for Monday, January 30, 1984, 9:00 A.M., Room 423-S.

Indiana

First Regular Session 103rd General Assembly

PRINTING CODE: When a new section, chapter, article, or title is being added to the Indiana Code or the Indiana Constitution, the word NEW will appear in that style type in the introductory clause, and the text of the new provision will appear in roman type. When an existing statute or section of the Indiana Constitution is being amended, the text of the existing provision will appear in roman type, additions will appear in this style type, and deletions will appear in this style type. A SECTION that does not affect the Indiana Code or the Indiana Constitution will appear in roman type.

HOUSE ENROLLED ACT No. 1070

AN ACT to amend the Indiana Code concerning the uniform commercial code.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 26-1-9-307 is amended to read as follows:
Sec. 307. (1) A buyer in ordinary course of business (~~subsection (9) of section 1-201~~) other than a person buying farm products from a person engaged in farming operations (IC 26-1-1-201(9)) takes free of a security interest created by his seller even though the security interest is perfected and even though the buyer knows of its existence. The following apply whenever a person is buying farm products from a person engaged in farming operations who has created a security interest on the farm products:

- (a) A person buying farm products from a person engaged in farming operations is not protected by this subsection if he has received prior written notice of the security interest. "Written notice" means notice on a form prescribed by the secretary of state and containing the following:
 - (i) The full name and address of the debtor.
 - (ii) The full name and address of the secured party.
 - (iii) A description of the collateral.
 - (iv) The date and location of the filing of the security interest.
 - (v) The date and signature of the secured party.
 - (vi) The date and signature of the debtor.

A notice expires eighteen (18) months after the date the secured party signs the notice or at the time the debt that appears on the notice is satisfied, whichever occurs first. Notice must be received before a buyer of

farm products has made full payment to the person engaged in farming operations for the farm products if the notice is to be considered "prior written notice".

(b) A secured party must within fifteen (15) days of the satisfaction of the debt inform a buyer in writing whenever a debt has been satisfied and written notice, as required by subdivision (a), had been previously sent to that buyer.

(c) A debtor engaged in farming operations who has created a security interest in farm products must provide the secured party with a written list of potential buyers of the farm products at the time the debt is incurred if such a list is requested by the secured party. The debtor may not sell farm products to a buyer who does not appear on the list (if the list is requested by the secured party) unless the secured party has given prior written permission to the debtor to sell to someone who does not appear on the list, or the debtor satisfies the debt for that secured party on the farm products he sells within fifteen (15) days of the date of sale. A debtor who knowingly or intentionally sells to a buyer who does not appear on the list (if the list is requested by the secured party) and who does not meet one (1) of the above exceptions, commits a Class C misdemeanor. A secured party commits a Class C infraction if he knowingly or intentionally gives false or misleading information on the notice required by subdivision (a) or he fails within fifteen (15) days of satisfaction of the debt to notify purchasers to whom notice had been previously sent (under subdivision (a)) of the satisfaction of the debt.

(d) A purchaser of farm products buying from a person engaged in farming operations must issue a check for payment jointly to the debtor and those secured parties from whom he has received prior written notice of a security interest as provided for in subdivision (a). A purchaser of farm products (on which there is a perfected security interest) buying from a person engaged in farming operations who withholds all or part of the proceeds of the sale from the seller, in order to satisfy a prior debt ("prior debt" does not include the costs of marketing the farm product or the cost of transporting the farm product to the market) owed by the seller to the buyer, commits a Class C infraction.

(2) In the case of consumer goods and in the case of farm equipment having an original purchase price not in excess of \$500 five hundred dollars (\$500) (other than fixtures, see ~~section 9-313~~ IC 26-1-9-313), a buyer takes free of a security interest even though perfected if he buys without knowledge of the security interest, for value and for his own personal, family, or household purposes or his own farming operations unless prior to the purchase the secured party has filed a financing statement covering such goods.

SECTION 2. IC 26-1-9-401, as amended by Acts 1982, P.L. 157, SECTION 2, is amended to read as follows: Sec. 401. (1) ~~Except as provided in IC 26-1-9-401-5,~~ The proper place to file in order to perfect a security interest is as follows:

(a) When the collateral is equipment used in farming operations, or farm products, or accounts, contract rights, or general intangibles arising from or relating to the sale of farm products by a farmer, or consumer goods, then in the office of the county recorder in the county of the debtor's residence or if the debtor is not a resident of this state then in the office of the county recorder in the county where the goods are kept, or if the debtor is a corporation then in the office of the county recorder in the county where the principal place of business of the corporation is located, and in the office of the secretary of state, and in addition when the collateral is crops in the office of the county recorder in the county where the land on which the crops are growing or to be grown is located.

(b) When the collateral is goods which at the time the security interest attaches are or are to become fixtures, then in the office where a mortgage on the real estate concerned would be filed or recorded.

(c) In all other cases, in the office of the secretary of state.

(2) A filing which is made in good faith in an improper place or not in all of the places required by this section is nevertheless effective with regard to any collateral as to which the filing complied with the requirements of IC 26-1-9 and is also effective with regard to collateral covered by the financing statement against any person who has knowledge of the contents of such financing statement.

(3) A filing which is made in the proper place in this state continues effective even though the debtor's residence or place of business or the location of the collateral or its use, whichever controlled the original filing, is thereafter changed.

(4) If collateral is brought into this state from another jurisdiction, the rules stated in IC 26-1-9-103 determine whether filing is necessary in this state.

(5) In the case of a filing in the fixture file where the title or interest of the debtor in the realty is not connected of record with the title or interest of another in the real estate, the secured party may designate such claimant or an existing record owner through whom the claimant derives his title in the financing statement filed in the fixture file. The designation may be made by the legend, "DEBTOR'S TITLE TO REALTY CONNECTED WITH THE TITLE OF _____." The designation shall serve as constructive notice linking of record the debtor's interest in the land with the interest of the claimant, for the purpose of fixture and crop filings, but it shall in no way affect existing priorities. The designation shall expire as constructive notice, and shall cease to serve as actual notice if seen of record (a) when the filing of a financing statement ceases to be effective, or (b) thirty (30) days after an affidavit containing the file number of the financing statement where the description was made is filed by or on behalf of the designated owner or his successor showing upon personal knowledge of the affiant that the debtor's interest was and is not in fact connected with such owner and that written notice to that effect has been delivered or sent to the secured party at his mailing address stated in the fixture filing.

(6) From amounts hereafter collected by the secretary of state from and in connection with filings and requests under IC 26-1 there shall be paid from the general fund as the primary source of such payment, all valid judgments recovered or to be recovered against county or state filing officers or their employees for failure to properly file or furnish correct information in connection with a request made as to filings and record searches under the filing system of uniform commercial code. Judgments payable under IC 26-1-9-401 shall be paid if the attorney general is served with a copy of the summons in the original action and given an opportunity to defend; or, if he is not served, only upon motion and de novo hearing without jury trial made to the court rendering the judgment after service of notice thereof upon the attorney general, and after the court enters findings and judgment showing the amount properly payable under IC 26-1. Any affected party or the attorney general may appeal from the original or the judgment entered pursuant to the motion. Not more than one hundred thousand dollars (\$100,000) shall be paid from amounts collected by the secretary of state in any fiscal year.

(7) The fee for filing each of the following shall be ~~five~~ four dollars (~~\$5~~) (\$4):

- (a) Financing statements.
- (b) Continuation statements.

- (c) Separate statements of assignment.
- (d) Separate amendments of any of the foregoing.
- (e) Lists of creditors and schedules of property filed with the secretary of state for entry in the bulk transfer file. ~~and~~
- (f) Lis pendens and other filings under the uniform commercial code filing systems.

An additional fee of fifty cents (~~50 cents~~) (\$.50) shall be paid for filing any of the foregoing described in (a) through (f) in the fixture file. No filing fee shall be charged for the filing of termination statements, releases, or amendments thereof on properly prepared regular forms. An additional fee of ~~five~~ four dollars (~~\$5~~) (\$4) shall be charged for filing any irregular form including termination statements, releases, and amendments thereof unless the irregular form is accompanied by a fully prepared regular form.

SECTION 3. The following are repealed: IC 26-1-9-307.5; IC 26-1-9-401.5.

SECTION 4. (a) The secretary of state shall prescribe the notice forms required by SECTION 1 of this act no later than June 1, 1983.

(b) This SECTION expires June 2, 1983.

SECTION 5. (a) Because an emergency exists, SECTION 4 of this act takes effect upon passage.

(b) SECTIONS 1, 2, and 3 of this act take effect June 1, 1983.

President of Senate

Speaker of the House of Representatives

Approved: _____

Governor of the State of Indiana

January 26, 1984

TO: Members, Agriculture & Livestock Committee
Kansas House of Representatives

FROM: Darrell Ringer, Quinter
State Spokesan for the Kansas Agriculture Movement

I wish to address briefly four proposals that our State Representatives and Senators should be considering.

#1 -- Minimum price, which is tabled in your committee, should be brought off the table for serious discussion and then sent to the floor for statewide debate.

#2 -- Moratorium on all farm and home foreclosures, rural and city as well, to stop devaluation of property for the duration of this depression.

#3 -- Extension of redemption period. Who can get reorganized in six months? Agriculture operates on an 18-month cycle.

#4 -- Removal of deficiency judgment. Both parties have money invested. When an investment goes sour, both parties should shoulder the loss. As it now stands the lender can come back upon the borrower and garnishee wages, etc., whereby the lender has no risk at all.

Thank you for your consideration.

STATEMENT

By

Conrad Odell, President

Kansas Motor Carriers Association

Presented to the House Agriculture
and Livestock Committee, Rep. Bill
Fuller, Chairman; Statehouse, Topeka,
Thursday, January 26, 1984.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is Conrad Odell and I am president and owner of Branson Truck Line of Lyons, Kansas. I have been engaged in the transportation of livestock for 19 years. I am the president of the Kansas Motor Carriers Association and come before you this morning to talk about a problem on behalf of the members of our Association and on behalf of my own company.

I presently operate 22 tractor and semitrailer units, most of which must operate through the community of Marion, Kansas every day. My primary haul is serving shippers of our area who provide cattle for the Iowa Beef packing plant at Emporia, Kansas. The livestock industry is important to Kansas and I am proud to serve it. We sincerely try to provide our transportation service efficiently for our shippers and as a good citizen of our state.

The problem I want to discuss with you this morning relates to an interpretation of K.S.A. 8-1906. Securing loads on vehicles.

As you are well aware the transportation of livestock involves proper handling of livestock manure. Our trailers are equipped with traps which must be properly maintained and frequently cleaned so that manure does not spill on the highway. I would be the first to maintain that this Legislature couldn't set a fine big enough to penalize any livestock carrier who would operate a livestock trailer on the highways with the traps open -- just to clean the trailer out!

Even with the greatest precaution, there are circumstances in which a carrier will have problems in containing every particle of cattle manure.

My first difficulty with the enforcement of K.S.A. 8-1906, surfaced in 1981 when I was issued tickets for violation of the "secured load" section of the statute because some manure had escaped our trailer equipment in Marion county. We also experienced some difficulty with enforcement of this statute in Emporia where livestock units turned a corner at 6th and Prairie.

When these tickets were received, I notified my drivers by letter that any tickets issued to any driver who operated his equipment with the traps open would be the responsibility of the driver and the fine would be deducted from his paycheck. I also advised the drivers that if a ticket is issued for violation of this statute, the unit is operated with the traps closed and every effort has been made to contain the cattle manure, the company would join with the driver in handling the citation.

Enforcement of the manure problem was resolved in Emporia but I continued to receive citations from the Kansas Highway Patrol officers in the Marion area. I want to explain that all of the citations I have received have involved units operating around a curve near Marion or at the junction of U.S. 56 and U.S. 77 highways where there is a downward slope of the highway at the junction. I have never had a citation of any kind in the city of Marion.

Because I felt that our drivers were doing everything humanly possible to contain the manure in our trailers, I finally sought a conference with Col. David Hornbaker who was superintendent of the Kansas Highway Patrol. I also conferred with Major Howard H. Docker about this problem.

Colonel Hornbaker , June 10, 1983, wrote me a letter after the patrol had researched this enforcement policy. I have provided Committee members with a copy of Colonel Hornbaker's letter. Following receipt of this letter, I received no further tickets until October, 1983.

The last three tickets I have received involved loads of cattle hauled during the extremely cold weather we have experienced. We dispatched the equipment to Emporia aware that the manure was frozen in the trailers and expected to clean the trailers thoroughly after the cattle were unloaded at Emporia. The weather moderated somewhat and I received tickets for two of my units as they operated on curves west of Marion. The third ticket was issued at the U.S.56 and U.S. 77 highway junction.

I was told by my drivers that the officers carefully checked our trailer units to determine that the traps were closed and that there was no leakage when the equipment was on level highway.

Knowing we had made our best effort to contain the cattle manure in our trailers, I finally determined that it was time to go to court to see whether the court could interpret the statute and give us some guidance on an enforcement policy for K.S.A. 8-1906.

I might also note that initially the fine for this violation in Marion county was \$20. In February, 1982, that fine was increased to \$50 per citation.

I arranged for a lawyer and asked that the three citations be set for court.

On January 4, 1984, I called Col. Bert Cantwell who now is serving as Superintendent of the Kansas Highway Patrol. I reviewed the background of the problem and explained that the only county in which I was receiving such citations was in Marion county from the Kansas Highway Patrol officers. He agreed to review the file and to have Major Docker call me. Major Docker did call me. I told him I had the citations set for court hearing and that I felt there should be some guidelines on the enforcement policy of K.S.A. 8-1906. Major Docker agreed with me and said he would visit again with the officers in the area with respect to this problem.

Much to my chagrin, the Court dismissed the three tickets and the court hearing was not held.

I find myself without any real solution to this enforcement problem.

You will note that Colonel Hornbaker's letter points out that "administratively there is no a solution on my part for this circumstance."

K.S.A. 8-1906 apparently can be interpreted pretty generally with respect to "secured loads."

I respectfully request that this Committee consider an amendment to that statute to give the livestock industry and our transportation companies specific exemption from the "secured loads" statute provided that our equipment is operated with the cleanout traps in a closed position.

The load we carry is cattle. I have never lost one head of livestock on any Kansas road. We do have proper equipment to contain the livestock manure which must be accommodated in the movement of cattle. If that equipment is in place and every possible effort is made to contain the manure, I do not feel that my company or any other should be subjected to citations under the "secured load" statute.

The wording we would suggest as an amendment would follow immediately after the word "operations" in the first paragraph of K.S.A. 8-1906 and would state:

"provided further that livestock transported in a trailer or semitrailer when such trailer or semitrailer properly is equipped with a cleanout trap and such trap is operated in a closed position, shall be exempt from this section."

I sincerely believe that an amendment to the statute is needed. I do not believe we dare rely on any administrative remedy under the present interpretation of the statute to solve this problem. I truly need your help. I will be glad to respond to any questions.

###

8-1905

AUTOMOBILES AND OTHER VEHICLES

erning the maximum length of combinations of vehicles upon roads and highways under the jurisdiction of the secretary of transportation or local authorities shall not apply to any vehicle operating on a route designated by the secretary or local authority between a Kansas turnpike authority toll booth and a motor freight truck terminal located within a ten-mile radius of any such toll booth, except at the northeastern end of the turnpike at which location a twenty-mile radius shall apply, under a permit issued pursuant to K.S.A. 8-1911 by the secretary, with respect to roads and highways under the secretary's jurisdiction, or a local authority, with respect to roads and highways under such local authority's jurisdiction. Notwithstanding any other provision of law to the contrary, for the purposes of this subsection, all two-lane roads and highways within the corporate limits of a city shall be deemed to be under the jurisdiction of such city.

History: L. 1974, ch. 33, § 8-1904; L. 1975, ch. 41, § 1; L. 1975, ch. 427, § 46; L. 1977, ch. 304, § 16; L. 1978, ch. 42, § 1; L. 1981, ch. 47, § 1; July 1.

Source or prior law:
8-5,116 (a) to (e).

Cross References to Related Sections:
Penalty for violation, see 8-1901.

Research and Practice Aids:
Uniform Vehicle Code, § 14-104.
Automobiles 11.
C.J.S. Motor Vehicles § 20 et seq.

8-1905. Projecting loads to the front and rear. (a) The load upon any vehicle operated alone, or the load upon the front vehicle of a combination of vehicles, shall not extend more than three (3) feet beyond the front wheels of such vehicle or the front bumper of such vehicle if it is equipped with a bumper.

(b) Any vehicle or combination of vehicles transporting passenger vehicles or other motor vehicles may carry a load which extends no more than three (3) feet beyond the front and four (4) feet beyond the rear of the transporting vehicle or combination of vehicles.

History: L. 1974, ch. 33, § 8-1905; July 1.

Source or prior law:
8-5,116 (f), (g).

Research and Practice Aids:
Uniform Vehicle Code, § 14-105.

8-1906. Securing loads on vehicles. (a) No vehicle shall be driven or moved on any highway unless such vehicle is so constructed or loaded as to prevent any of its load from dropping, sifting, leaking or otherwise escaping therefrom, except that this section shall not prohibit the necessary spreading of any substance in highway maintenance or construction operations.

(b) No person shall operate on any highway any vehicle with any load unless said load and any covering thereon is securely fastened so as to prevent said covering or load from becoming loose, detached or in any manner a hazard to other users of the highway.

History: L. 1974, ch. 33, § 8-1906; July 1.

Source or prior law:
8-5,117.

Research and Practice Aids:
Uniform Vehicle Code, § 14-106.

CASE ANNOTATIONS

1. Terms "operate" and "drive" are synonymous. State v. Fish, 228 K. 204, 209, 612 P.2d 180.

8-1907. Towing vehicles; connection and safety equipment. (a) When one vehicle is towing another, the drawbar, towbar or other connections shall be of sufficient strength to pull, stop and hold all weight towed thereby, and so designed, constructed and installed as to insure that any vehicle or motor vehicle towed on a level, smooth, paved surface will follow in the path of the towing vehicle when it is moving in a straight line. In addition to the drawbar connections between any two (2) such vehicles, there shall be provided an adequate safety hitch.

(b) When one vehicle is towing another and the connection consists of a chain, rope or cable, there shall be displayed upon such connection a white flag or cloth not less than twelve (12) inches square.

(c) Motor vehicles in transit may be transported in combination by means of towbar, saddlemount or fullmount mechanisms, utilizing the motive power of one (1) of the motor vehicles in such combination, except that not more than two (2) vehicles in any such combination of motor vehicles in transit may be connected by means of a towbar mechanism. Whenever motor vehicles are transported as authorized in this subsection, such motor vehicles shall be

Attachment No. 6

KANSAS HIGHWAY PATROL

Service—Courtesy—Protection

John Carlin
Governor



Col. David Hornbaker
Superintendent

June 10, 1983

Conrad Odell, President
Branson Truck Line, Inc.
P. O. Box 698
Lyons, KS 67554

Dear Mr. Odell:

I have at hand information reference the arrest of your trucks and those of other companies. I am advised by the supervisors in that area that their criteria for making an arrest of this type is to note spillages and upon stopping the unit and finding the traps open to issue the citation. I also recall your information wherein you have a policy against running with the traps open.

I think that you will agree that administratively there is not a solution on my part for this circumstance. If the traps are open and spilling, it is a violation; if, however, your drivers are complying with your policy and this can be proved to the court, this would have to be done should the situation arise again.

We appreciate the time you have taken to come in and talk to us about this situation.

Thank you.

Very truly yours,

David Hornbaker
DAVID HORNBAKER
Superintendent

DH:HHD:wmg

cc: Captain Johnson
Major Docker

Enclosures: NTA's and receipts

122 SW SEVENTH STREET
TOPEKA, KANSAS 66603 (913) 232-9200

Attch. 6

Proposal to amend K.S.A. 8-1906

.....provided further that livestock transported in a trailer or semitrailer when such trailer or semitrailer properly is equipped with a cleanout trap and such trap is operated in a closed position, shall be exempt from this section.

STATEMENT
OF
IVAN W. WYATT
PRESIDENT KANSAS FARMERS UNION
BEFORE
AGRICULTURAL COMMITTEE OF THE
KANSAS HOUSE OF REPRESENTATIVES
JANUARY 26, 1984

MR. CHAIRMAN, MAMBERS OF THE COMMITTEE:

FOR THE PAST SEVERAL YEARS WE HAVE SEEN AGRICULTURE SUFFER UNDER A LONG TERM POLICY, OR A LACK OF POLICY WHICH HAS BROUGHT ABOUT THE CONTINUING DEPLETION OF THE RESOURCES OF AGRICULTURE, BOTH NATURAL AND HUMAN, WITHOUT PROVIDING ADEQUOTE COMPENSATION FOR EITHER FROM THE MARKET PLACE.

THE ONLY SOLUTIONS PROPOSED RECENTLY HAVE BEEN TO EITHER SUBSIDIZE AGRICULTURE FROM THE FEDERAL TREASURY FOR THIS LACK OF COMPENSATION, OR TO FURTHER DEplete THESE RESOURCES AT AN EVEN FASTER RATE THROUGH VOLUME PRODUCTION FOR LESS COMPENSATION OR PRICE.

ALL THE WHILE WE HAVE SEEN, AN EVER SPIRALLING NUMBER OF FAILURES IN AGRICULTURE. MANY TIMES THE LARGER OPERATIONS, AND FROM ALL APPEARANCES MANY TIME THE MORE SUCCESSFUL OPERATORS, ALL LEADING TO THE PROJECTED COAL OF 200,000 FARMERS IN THIS COUNTRY IN 16 YEARS, LITTLE MORE THAN THE NUMBER OF FARMERS IN TEXAS TODAY.

I THINK WE PROBABLY ARE IN AGREEMENT, THAT DURING THIS TIME OF LARGE FEDERAL DEFICITS AND THE GROWING DEMANDS ON THE FEDERAL TREASURY FOR DEFENSE AND DOMESTIC NEEDS WE CANNOT EXPECT TO SEE THE FEDERAL TREASURY USED AS A LIFE LINE FOR AGRICULTURE, NEITHER CAN WE EXPECT TO SEE CONTINUED INCREASE IN AGRICULTURE PRODUCTIVITY WITHOUT A PRICE AS A VIABLE SOLUTION TO THE FINANCIAL CRISIS FACING AGRICULTURE.

NO OTHER INDUSTRY TRIES TO OPERATE THIS WAY. INDUSTRY PRESENTLY IS OPERATING IN THIS COUNTRY AT APPROXIAMATLY 80% OF CAPACITY, AND EVERY ONE THINKS THATS GREAT, EVEN THOUGH A LARGE PART OF THAT CAPACITY IS BEING USED FOR THE MILITARY AND NOT FOR THE CONSUMER MARKET.

IT MAKES NO SENSE TO ATTEMPT TO CONTINUE TO OPERATE AGRICULTURE AT TOTAL

CAPACITY CONTINUALLY, WITHOUT FIRST IDENTIFYING THE CAPACITY OF THE MARKET. THAT WILL PROVIDE A FAIR RETURN TO THE PRODUCER FOR HIS LABOR, INVESTMENT AND THE DEPLETION OF THE NATURAL RESOURCES OF AGRICULTURE.

IT MAKES NO SENSE FOR THIS COUNTRY OR ANY COUNTRY OF THE FREE WORLD TO SUBSIDIZE THE ECONOMIES OF THE COMMUNIST BLOCK NATIONS WITH CONTINUED SALES OF CHEAP GRAINS, THROUGH EITHER LOW PRICES TO THE PRODUCERS WHICH BRINGS ABOUT THE TRANSFER OF THE FARMERS WEALTH AND ASSETS TO THE RUSSIAN ECONOMY, OR THE SUBSIDIZATION OF THE RUSSIAN ECONOMY THROUGH AN INDIRECT SUBSIDY THAT COMES FROM THE U.S. TREASURY, OR THE TREASURY OF OUR ALLIES OF THE FREE WORLD, SIMPLY SO AGRICULTURE CAN SURVIVE TO CONTINUE TO PRODUCE THESE PRODUCTS WE SELL THE RUSSIANS OR OTHERS AT BELOW THE COST OF PRODUCTION.

IT MAKES NO SENSE TO CONTINUE TO TAKE FROM THE U.S. TREASURY OR THE U.S. FARMER TO SUBSIDIZE THE RUSSIAN WAR MACHINE, WHO EVEN AT THIS MOMENT ARE INSTALLING NEW MISSILES IN EASTERN EUROPE, AND ARE PERFECTING A NEW SUPER POWERFUL ROCKET BOOSTER.

THERE COMES A TIME WHEN FINALLY WE CAN NO LONGER WAIT FOR THOSE OUTSIDE OF AGRICULTURE TO SOLVE OUR PROBLEMS, AND IN THIS CASE WHEN I SPEAK OF AGRICULTURE, I SPEAK OF THAT 2.7% OF THE POPULATION THAT DOES THE ACTUAL JOB OF PRODUCING ALL THESE GRAINS ETC., THERE ARE MANY WHO WISH TO SHARE THE SPOTLIGHT WITH THE FARMER, WHO PRODUCES THE ACTUAL BOUNTY OF AGRICULTURE, BUT THE FARMER IS THE ONLY ONE IN THE LONG CHAIN WHO HAS TO DEPEND ON A PRICE FOR THIS BOUNTY FOR SURVIVAL.

THIS MAY BE THE REASON THERE IS NO UNDERSTANDING OR MOTIVATION FOR THE SOLUTION TO THE PROBLEM OF THE LACK OF THE MARKET WORKING FOR THE PRODUCER, AND THE DESIRE FOR THE CONTINUATION OF A POLICY OF VOLUME PRODUCTION REGARDLESS OF PRICE, OR PROFIT TO THE PRODUCER, EVEN IF IT MEANS THE MASSIVE SUBSIDIZATION OF UNFRIENDLY FOREIGN NATIONS.

ITS OFTEN BEEN SAID, REGARDLESS OF THE LENGTH OF THE JOURNEY, THE MOST IMPORTANT STEP, IS THE FIRST STEP, WHETHER IT'S OUT TO PICK UP THE MORNING NEWSPAPER, OR IT'S A TRIP TO THE MOON.

THAT'S THE WAY I HOPE YOU WILL LOOK AT THIS PROPOSAL, NOT AS THE TOTAL COMPLETE SOLUTION TO ALL OF AGRICULTURE'S PROBLEMS, BUT INSTEAD THE FIRST IMPORTANT STEP ON THE JOURNEY TO THE SOLUTION OF THE MANY PROBLEMS FACING AGRICULTURE, AND OF THOSE WHO DEPEND ON A FINANCIALLY STRONG HEALTHY AMERICAN

AGRICULTURE.

THIS PROPOSAL IS NOT A REQUEST FOR SOMEONE IN WASHINGTON, OR SOMEONE ELSE TO SOLVE OUR PROBLEMS; BUT A TOOL FOR THE FARMERS THEMSELVES WORKING TOGETHER TO SOLVE OUR OWN PROBLEMS.

I THINK WE ALL HAVE TO AGREE THAT SUPPLY, ESPECIALLY IN THE CASE OF OVER-SUPPLY HAS A VERY MAGNIFIED EFFECT ON PRICE. JUST A FEW DAYS ACO WE SAW A U.S.D.A. SUPPLY REPORT INDICATE ONLY FRACTIONAL INCREASES, IN SUPPLY MONTHS AFTER THE COMPLETION OF HARVEST, CAUSE THE BOTTOM TO VIRTUALLY FALL OUT OF GRAIN PRICES, ESPECIALLY IN THE CASE OF SOYBEANS AND FEED GRAINS.

IT IS TIME WE AS FARMERS AND PRODUCERS FACE UP TO THE FACTS OF THE REAL BUSINESS WORLD, IF FARMERS EVER WANT A CONSISTENT FAIR PRICE FOR THEIR LABOR, INVESTMENT, AND THE USE OF OUR NATURAL RESOURCES, WE HAVE TO DETERMINE THE AMOUNT WE WILL PRODUCE AND PLACE ON THE MARKET.

IN THE CASE OF GENERAL MOTORS OR JOHN DEERE, WHO DECIDES HOW MANY UNITS THEY WILL PRODUCE, OR PLACE ON THE MARKET, NOT U.S. STEEL, NOT THE MANUFACTURER OF GREEN PAINT, OR ANY OF THEIR OTHER SUPPLIERS. THEY THEMSELVES DETERMINE WHAT THE MARKET WILL ABSORB AT A FAIR PRICE AND PROFIT, AND THEN THEY PRODUCE FOR THAT MARKET AND NO MORE.

THE FARMER, HAS TO BEGIN TO DO THIS. INSTEAD OF SIMPLY PRODUCING HUGH VOLUMES, THEN SCRAMBLING AROUND LIKE CHICKENS WITH OUR HEADS OFF TRYING TO FIND ANYONE TO BUY THIS PRODUCTION AT ANY PRICE, FARMERS HAVE TO DETERMINE WHAT THE MARKET WILL ABSORB AT A DECENT PRICE, THEN PRODUCE AND PROVIDE FOR THAT MARKET AND NO MORE. THAT'S WHAT THIS PROPOSAL ATTEMPTS TO DO.

I WOULD URGE THIS COMMITTEE TO TAKE THAT FIRST IMPORTANT STEP, AND TAKE A HARD LOOK AT THIS PROPOSAL, NOT AS A SOLUTION, BUT AS A START ON THE LONG JOURNEY TO RESTORE PROSPERITY TO ALL OF AGRICULTURE.

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, THIS PROPOSAL IS NOT A MINIMUM PRICING BILL. THIS IS NOT AN ATTEMPT TO HAVE KANSAS ALONE SOLVE THE PROBLEM OF LOW FARM PRICES, BUT IS AN ATTEMPT TO PROVIDE THE BECINING STRUCTURE SO THE FARMERS OF MANY STATES CAN WORK TO FIND THEIR OWN SOLUTIONS INSTEAD OF ASKING OTHERS TO.

SENATOR NANCY KASSEBAUM, RECENTLY QUOTED NICCOLE MACHIAVELLI OF SOME

FOUR HUNDRED YEARS AGO WHO SAID, "THERE IS NOTHING MORE DIFFICULT TO TAKE IN HAND, MORE PERILOUS TO CONDUCT, OR MORE UNCERTAIN IN ITS SUCCESS, THAN TO TAKE THE LEAD IN THE INTRODUCTION OF A NEW ORDER OF THINGS."

I HOPE THIS COMMITTEE IS WILLING TO FACE THIS CHALLENGE.

TO PUT IT PERHAPS MORE OPTIMISTICALLY, GEORGE BERNARD SHAW SAID, "SOME PEOPLE SEE THINGS AS THEY ARE AND ASK WHY? OTHERS SEE THINGS THAT NEVER WERE AND ASK, WHY NOT."

THAT'S OPTIMISM, THE KIND THAT SEPERATES THE SUCCESSFUL FROM THE UNSUCCESSFUL.

THANK YOU.

Be it enacted by the Legislature of the State of Kansas

Section 1 KSA 2-3101 is hereby amended to read as follows:

2-3101 "The Interstate Compact on Regional Agricultural Grain Marketing and Pricing is hereby enacted into law and entered into with all jurisdictions legally joining therein, in the form substantially as follows:

INTERSTATE COMPACT ON REGIONAL
AGRICULTURAL GRAIN MARKETING AND PRICING

It is the purpose of this compact to protect, preserve and enhance:

- (A) The economic and general welfare of citizens of the joining states engaged in the production and sale of agricultural grains;
- (B) The economics and every existence of local communities in such states, the economics of which are dependent upon the production and sale of agricultural grains, and
- (C) The continued production of agricultural grains in such states in quantities necessary to feed the increasing population of the United States and the world.
- (D) The ability of individual producers to maintain a reasonable balance of supply in relation to market needs whereby without denies the individual producer the opportunity to secure a reasonable return equated to parity for their grains, prevents agricultural producers from maintaining a reasonable standard of living, thereby causing financial depression, economic instability, increased economic insecurity, and rising unemployment.
- (E) The depressed income of agricultural producers has resulted in a marked decrease of such producers and is a deterrent to the youthful farmers engaging in agriculture.

(F) It is further declared that an emergency now exists resulting from the depressed condition of agriculture in this state and particularly the loss of income to those engaged in the production of wheat, feed grains, and oil seeds.

(G) The Legislature, therefore declares that it is in the public good and general welfare of the citizens of the state to enact this measure under the general welfare and police powers of the state.

Article II - Definitions

As used in this compact:

(A) "State" means any state of the United States in which agricultural grains are produced for the markets of the nation and the world.

(B) "Agricultural grains" means wheat, feed grains and oil seeds.

(C) "Producer" means any producer that is engaged in the business of growing or producing wheat, feed grains and oil seeds within the state, and any shareholder of such grain.

(D) "Person" means any individual, corporation, partnership, trust, association, cooperative association and any other business unit or organization.

(E) "Processor" means any person that buys, or otherwise takes title to, or possession of, any grains for the purpose of processing, or manufacturing it, or selling, reselling, or redelivering it to its original or processed form. It shall include all of the following:

(1) Any person or exchange that conducts such business.

(2) Any person or exchange that buys grain from the producer for the purpose of reselling it to any person or exchange that conducts such business.

(F) "Parity" shall have the same meaning as that defined by the provisions of the Agricultural Adjustment Act title 7, section 1301, U.S.C.A.

(G) "Board" shall mean, Kansas Agricultural Grain Marketing and Pricing Board.

(H) "Commission" shall mean Regional Agricultural Grain Marketing and Pricing Commission.

(I) "Agricultural Districts" shall have the same meaning as used in determining the selection of members to the State Board of Agriculture.

Article III

Kansas Agricultural Grain Marketing and Pricing Board
Regional Agricultural and Grain Marketing and Pricing Board

(A) Organization and Management

Kansas Agricultural Grain Marketing and Pricing Board

(1) This act shall provide for the establishment of a Kansas Grain Marketing and Pricing Board, whos duties shall be to carry out the enforcement of marketing quotos established by the Commission as set out in this act.

The Kansas Grain Marketing and Pricing Board shall be made up of two members selected from each of the state's agriculture districts set out by the state for the purpose of selecting members of the state Board of Agriculture.

Board Election

Each member of the county ASCS Committee shall have one vote for the purpose of electing "Board" members.

Board members shall be elected for a term of two years, with each board member from each district being elected at alternate times, except at the first election of board members, one member shall be elected for a term of one year and one for a term of two years.

The election shall be held during the month of January.

The Secretary of the Board of Agriculture shall provide a by-mail secret ballot to each member of each county ASCS committee person.

Candidates for their positions shall file for election by paying a \$50 filing fee to the Secretary of the State Board of Agriculture.

These collected filing fees shall be used to reimburse the State Board of Agriculture for the cost of the election, with surplus funds reverting to the permanent fund of the Board.

To participate in these elections, candidates shall provide proof of their eligibility to participate in the election of county ASCS Committee persons of the county of their residence.

Referendum

Legislation passed by the State Legislature allowing the formation of the Kansas Grain Marketing and Pricing Board, and its participation in the Commission (Regional Grain Marketing and Pricing Board) shall be ratified by a majority vote of the state producers of the commodities listed in Article 1 (I).

A producer voter shall vote in the county of his residence, and shall be qualified to vote in that county election of ASCS County Committee persons.

The Secretary of the Board of Agriculture shall be responsible for the carrying out of the referendum vote within 120 days after its publication in the statute book.

Initial Funding

Upon the enactment of this legislation the State Director of Revenue shall be authorized to levy a 1 mil tax on the gross sale of "grain" marketed in the state income tax year of 1983.

Permanent Funding

Upon the ratification of the interstate compact on Regional Grain Marketing and Pricing Act by a referendum vote of eligible voters, the Governor shall cause to be established a Kansas Agricultural Grain Marketing and Pricing Board Fund, for the purpose of carrying out the purpose of their duties and functions as set forth in this act.

Funding shall be the same as set out in the initial funding with a limit of 3 mils, or otherwise set out by an act of the State Legislature.

Any surplus in the initial fund after all expenses of the referendum and initial election shall be transferred to the permanent fund.

Voting Binding Action

Each member shall be entitled to one vote. A member must be present to vote and no voting by proxy shall be permitted. The Board shall not act unless a majority of the voting members are present, and no action shall be binding unless approved by a majority of the total number of voting members present.

(1) Body Corporate; Seal. The Board shall be a body corporate and shall adopt an official seal to be used as it may provide.

(2) Meetings. The Board shall hold an annual meeting and such other regular meetings as its bylaws may provide and such special meetings as its executive committee may determine. The Board bylaws shall specify the dates of the annual and any other regular meetings, and shall provide for the giving of notice of annual, regular and special meetings. Notices of special meetings shall include the reasons therefore and an agenda of the items to be considered.

(3) Officers. The Board shall elect annually, from among its voting members, a chairperson, a vice-chairperson and a treasurer. The Board shall appoint an executive director who shall serve at its pleasure, and shall fix the duties and compensation of such director. The executive director shall be Secretary of the Board. The Board shall make provision for the bonding of such of its officers and employees as it may deem appropriate.

(4) Personnel. Irrespective of the civil service, personnel or other merit system laws, the executive director shall appoint or discharge such personnel as may be necessary for the performance of the functions of the Board and shall fix, with the approval of the Board, their duties and compensation. The Board shall provide for personnel policies and programs. Employees of the Board shall be eligible for social security coverage in respect of old age and survivors insurance provided that the Board takes such steps as may be necessary pursuant to federal law to participate in such program of insurance as a governmental agency or unit. The Board may establish and maintain or participate in such additional programs of employee benefits as may be appropriate. The Board may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental entity.

(5) Donations and Grants. The Board may accept for any of its purposes and functions any and all donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any governmental entity, and may utilize and dispose of the same.

(6) Offices. The Board may establish one or more offices for the transacting of its business.

(7) Bylaws. The Board shall adopt bylaws for the conduct of its business. The Board shall publish its bylaws in convenient form, and shall file a copy of the bylaws and any amendments thereto with the appropriate agency or officer of the state.

(8) Reports. The Board annually shall make to the Governor and Legislature a report covering its activities for the preceding year. Any donation or grant accepted by the Board or services borrowed shall be reported in the annual report of the Board, and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The Board may make additional reports as it may deem desirable.

(9) The Board is hereby authorized to do all things necessary and incidental to the administration of its functions and purpose under this compact.

Regional Agricultural Grain Marketing and Pricing Commission

(1) Membership. There is hereby created an agency of the member states to be known as the Regional Agricultural Grain Marketing and Pricing Commission, herein after called the Commission.

The Commission shall consist of one member from each member state, to be selected from each member's state's Marketing Board, or reasonable facsimile.

Voting Binding Action: Each member shall be entitled to one vote. A member must be present to vote and no voting by proxy shall be permitted. The Commission shall not act unless a majority of the voting members are present, and no action shall be binding unless approved by a majority of the total number of voting members present.

(2) Body Corporate; Seal. The Commission shall be a body corporate and shall adopt an official seal to be used as it may provide.

(3) Meetings. The Commission shall hold an annual meeting and such other regular meetings as its bylaws may provide and such special meetings as its executive committee may determine. The Commission bylaws shall specify the dates of the annual and any other regular meetings, and shall provide for the giving of notice of annual, regular and special meetings. Notices of special meetings shall include the reasons therefore and an agenda of the items to be considered.

(4) Officers. The Commission shall elect annually, from among its voting members, a chairperson, a vice-chairman and a treasurer. The Commission shall appoint an executive director who shall serve at its pleasure, and shall fix the duties and compensation of such director. The executive director shall be secretary of the Commission. The Commission shall make provision for the bonding of such of its officers and employees as it may deem appropriate.

(5) Personnel. Irrespective of the civil service, personnel or other merit system laws of any member state, the executive director shall provide for personnel policies and programs. The Commission may establish and maintain, independently of or in conjunction with any one or more of the member states, a suitable retirement system for its full-time employees. Employees of the Commission shall be eligible for social security coverage in respect of old age and survivors insurance provided that the Commission takes such steps as may be necessary pursuant to federal law to participate in such program of insurance as a governmental agency or unit. The Commission may establish and maintain or participate in such additional programs of employee benefits as may be appropriate. The Commission may borrow, accept or contract for the services of personnel from any state, the

United States, or any other governmental entity.

(6) Donations and Grants. The Commission may accept for any of its purposes and functions any and all donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any governmental entity, and may utilize and dispose of the same.

(7) Offices. The Commission may establish one or more offices for the transacting of its business.

(8) Bylaws. The Commission shall adopt bylaws for the conduct of its business. The Commission shall publish its bylaws in convenient form, and shall file a copy of the bylaws and any amendments thereto with the appropriate agency or officer in each of the member states.

(9) Reports to Member States. The Commission annually shall make to the Governor and Legislature of each member state a report covering its activities for the preceding year. Any donation or grant accepted by the Commission or services borrowed shall be reported in the annual report of the Commission, and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The Commission may make additional reports as it may deem desirable.

(10) The Commission is hereby authorized to do all things necessary and incidental to the administration of its functions and purposes under this compact.

(B) Committees

The Commission may establish such committees from its membership as its bylaws may provide for the carrying out of its functions.

Article IV - Powers and Duties of Commission

(1) Quotas: When at least 80% of the domestic production (U.S. production) of a particular grain, or a grain of a particular quality

produced in the member states of the Commission (Regional Grain Marketing and Pricing Board) the Commission shall cause to be established marketing quotas for those member states producing those grains, or grain of a particular quality, based on each states average production of the two preceeding years.

These marketing quotas shall be established as near as possible at a level that the market will absorb at 80% parity price.

The first five states that become members of the Commission (Regional Grain Marketing and Pricing Board) may establish the location of headquarters of the Regional Grain Marketing and Pricing Board.

(A) When marketing quotas are established for new member states to the Regional Grain Marketing and Pricing Board, consideration shall be given for the reduced production of member states in previous years, while under marketing quotas.

(B) It shall be the duty of the Kansas Grain Marketing and Pricing Board to carry out the administration of the Commission directive at which time marketing quotas are established.

(C) The state marketing quote shall be determined for each farm as a percentage of that farm's average yield multiplied by the farm's grain base acreage as determined by that county ASCS Board.

(D) The Kansas Grain Marketing and Pricing Board is hereby authorized to make such rules and regulations as in the Board's judgment may be necessary to issue marketing orders and quotas as established by the Commission (Regional Grain Marketing and Pricing Board).

(E) It shall be unlawful for any producer to sell or for any person to purchase any agricultural grains listed in section 1 (c) which are grown in the state that are covered by a marketing order and quote

issued by the Kansas Grain Marketing and Pricing Board. Violations shall incur a civil penalty punishable by assessments equal to twice the value of the grain involved.

(F) The Kansas Grain Marketing and Pricing Board shall monitor commodity transactions, including commodity exchanges and other commodity markets. Upon reasonable cause to believe that an ongoing violation is occurring or that a violation may occur, and upon notification to the party or parties involved, the Kansas Grain Marketing and Pricing Board shall issue an order to restrain the violation, which order shall remain in effect for 10 working days, during which time the secretary will seek a permanent restraining order in a court of proper jurisdiction.

(G) Within 60 days of a reported violation, the Kansas Grain Marketing and Pricing Board shall initiate proceedings to determine if a violation has occurred. If a violation has been found to occur, the Kansas Grain Marketing and Pricing Board has authority to negotiate a stipulation with the offending party or parties, including payment of the fine or penalty in an amount not less than twice the value of the commodity involved. If a stipulation cannot be reached within 60 days, such civil penalty shall be recoverable in civil action brought by the Attorney General of the state.

(H) The Commission is hereby authorized to do all things necessary and incidental to the administration of its functions under this compact.

Article V - Finance

(A) Budget. The Commission shall submit to the Governor of each member state and its corresponding Marketing and Pricing Board a budget of its estimated expenditures for such period as may be required by the laws of that state for that state's proportionate share to be funded as they so choose.

(B) Appropriations by Member States. The monies necessary to finance the general operations of the Commission not otherwise provided for in carrying forth its duties, responsibilities and powers as stated herein shall be appropriated to the respective states. Appropriations by member state for the financing of the operations of the Commission shall be apportioned among the member states in the manner determined by the Commission. Each state shall determine the means of funding their state proportioned share.

(C) Accounts; Audits. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the Commission.

(D) Accounts; Examination. The accounts of the Commission shall be open for inspection at any reasonable time.

Article VI - Eligible Parties, Entry
Into Force, Withdrawal and Termination

(A) Eligible Parties. Any agricultural grain marketing state may become a member of this compact.

(B) Entry into Force. This compact shall become effective initially when enacted into law by any five states prior to July 1, 1988, and in additional states upon their enactment of the same into law.

(C) Withdrawal. Any member state may withdraw from this compact by enacting a statute repealing the compact, but such withdrawal shall not become effective until one year after the enactment of such statute and the notification of the Commission thereof by the Governor of the withdrawing state. A withdrawing state shall be liable for any

obligations which it incurred on account of its membership up to the effective date of withdrawal, it shall remain liable to the extent of such obligation.

(D) Termination. This compact shall terminate one year after the notification of withdrawal by the Governor of any member state which reduces the total membership in the compact to less than five states.

Sec. 2 K.S.A. 2-3101 is hereby repealed

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.



KANSAS STATE BOARD OF AGRICULTURE

TOPEKA, KANSAS 66612-1280

HARLAND E. PRIDDLE
Secretary

109 S.W. 9th Street
913-296-3556

January 24, 1984

M E M O R A N D U M

To: Senator Fred Kerr, Chairman
Senate Committee on Agriculture and Small Business

and

Representative Bill Fuller, Chairman
House Committee on Agriculture and Livestock

From: Harland E. Priddle, Secretary *HEP*

SUBJECT: SUGGESTED LEGISLATIVE ISSUES

Enclosed is a list of subjects and issues related to possible legislative action during this legislative session. We wanted you to have this in advance and to review it prior to any presentation we might make before either of your committees. Some of these issues have been discussed in detail but others are basically editorial and clean up type of actions. After you have had a chance to review, please contact me and we can discuss it further. Don Jacka has been the action officer in this regard and feel free to talk with him if I am not available.



KANSAS STATE BOARD OF AGRICULTURE

TOPEKA, KANSAS 66612-1280

HARLAND E. PRIDDLE
Secretary

109 S.W. 9th Street
913-296-3556

January 20, 1984

M E M O R A N D U M

TO: Senator Fred Kerr, Chairman
Senate Committee on Agriculture & Small Business
and
Representative Bill Fuller, Chairman
House Committee on Agriculture & Livestock

FROM: Kansas State Board of Agriculture

RE: Requested Legislation

Below listed are conceptual discussions of legislative needs of the Kansas State Board of Agriculture.

1) Acceptance of Federal Funds

Presently, many statutes administered by this Agency do not contain explicitly directed authority for the Secretary of Agriculture to apply for or receive federal funds. While some statutes may provide such authority by implication, present fiscal interpretations hamper the application for and receipt of federal funds without explicit authority.

Because of the large number of federal grants and funded programs available, the State Board of Agriculture would benefit greatly by an amendment to present law granting acceptance authority. Such an amendment would explicitly authorize the Secretary of Agriculture, or his representative, to apply for and receive federal funds which may be available to this Agency in the administration of its various programs.

2) Annual Report of Agriculture and Farm Facts

The Annual Report of Agriculture and Farm Facts has, in recent years, been published on an annual basis. This publication has been of great use to all segments of agriculture and agribusiness. It is also the primary resource available for Kansas agricultural data used by regulatory agencies, researchers, the Kansas Legislature, other states, and others. The data is necessary on a timely basis so that all of agriculture will be able to make properly based business and financial determinations.

As a result of 1983 budgetary action, the Kansas Report of Agriculture and Farm Facts was not published in FY 1984. To insure future such publications for use by the Kansas economy, the State Board of Agriculture proposes an amendment to K.S.A. 74-504. Presently, K.S.A. 74-504 permissively authorizes this publi-

cation on a biannual basis. The amendment to this statute, here recommended, would make the Report of Agriculture and Farm Facts a mandatory, annual publication for which no charge is assessed.

3) Filled Milk and Filled Dairy Products

As a result of recent action by the Kansas Supreme Court and the Federal District Court, the Filled Dairy Products Act has been declared unconstitutional. The Filled Milk Act is so closely associated with that law declared unconstitutional that its constitutional validity will certainly be contested. For those reasons, the State Board of Agriculture requests that a bill be passed to repeal the Filled Milk Act [K.S.A. 65-707(E)(2)] and the Filled Dairy Products Act (K.S.A. 65-725 et. seq.)

4) Updating of General Dairy Laws

Because these statutes were originally enacted in 1927, much of K.S.A. 65-701 et. seq. requires serious review for necessary updating. The State Board of Agriculture requests that legislation be drafted to remove outmoded language. Such deletion of outmoded language would eliminate references to anachronistic duties. Changes in industry practices have greatly changed the regulatory needs in the dairy industry.

5) Ice Cream Gallonage Tax

Presently, the dairy industry pays a gallonage tax on the manufacture of ice cream and ice milk products in Kansas and on such products imported into Kansas for resale. Since the Filled Dairy Products Act has been declared unconstitutional, Mellorone products (filled ice cream or ice milk products) may now be sold in Kansas. In order to equalize the tax burden over all manufacturers of ice cream type products, a gallonage tax should be imposed on Mellorone. The State Board of Agriculture requests that a bill be drafted which would impose a tax on Mellorone and related products on the same basis as the ice cream gallonage tax.

6) Pesticide Business Licensing

Present law requires aerial applicator businesses which apply general-use type pesticides to be licensed, while ground applicator businesses, using that same class of pesticides in agricultural settings, need no such business license. This seems to be a serious inadequacy of present law. This inadequacy establishes an inequity among applicators of pesticides and could possibly create enforcement problems.

The State Board of Agriculture requests that this inequity of the law be corrected. Such a correction could be accomplished by amending K.S.A. 2-2440 to remove the exemption contained at K.S.A. 2-2440(d)(4). Such amendment would require aerial applicator businesses and ground applicator businesses, which apply general-use pesticides, to obtain pesticide business licenses.

7) Update and Codification of the Kansas Weights & Measures Act

The initial weights and measures laws were enacted during the period between 1909 and 1923 with the Division of Weights and Measures and the position of State Sealer being created in 1947. Since that time, the Act has not been re-examined or updated. In the span of more than one-half a century, the technology of weights and measures has greatly progressed. For that reason, the Weights and Measures Law (K.S.A. 83-101 et. seq.) should be updated to make it consistent with today's needs and technology.

The State Board of Agriculture requests that a bill be introduced and considered by this committee to recodify the Weights and Measures Law. In such a review of weights and measures amendments, close scrutiny should be applied to the adoption of model weights and measures laws proposed by the National Bureau of Standards and the National Conference on Weights and Measures.

It is felt by the Kansas State Board of Agriculture that the above mentioned legislation is necessary for the continued efficient operation of this Agency. The above proposals are, of course, submitted in addition to various other topics of legislation which this Agency realizes your committee is working on and in no way is represented as this Agency's assessment of a complete list of needed legislation. If we can be of any assistance in the drafting or explanation of the need of such legislation, please do not hesitate to contact this Agency.

DLJ:k1