

MINUTES OF THE HOUSE _____ COMMITTEE ON AGRICULTURE AND LIVESTOCK _____

The meeting was called to order by the Chairman, Bill Fuller at _____
Chairperson

9:00 a.m./~~p.m.~~ on February 2, 1984 in room 423-S of the Capitol.

All members were present except:

Rep. Hamm, who was excused.

Committee staff present:

Raney Gilliland, Legislative Research Department
Norman Furse, Revisor of Statutes Office
Kathleen Moss, Committee Secretary

Conferees appearing before the committee:

Galen Swenson, Grain Commodity Commission Coordinator, Marketing
Division, State of Kansas
Curtis Ramsey, Corn Commission
Russ Stylvester, Soybean Commission
Leon Suderman, Grain Sorgham Commission
Gordon Conger, Iola, Kansas, Soybean Commission
Clair Niles, Soubean Commission
Becky Crenshaw, Kansas Committee of Farm Organizations
John Blythe, Kansas Farm Bureau

The meeting was called to order by the Chairman, who announced that the Committee would be operating on a tighter schedule since the House was convening earlier; and that the following meeting would be devoted to discussion of some bill requests the Committee had received.

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Rep. Niles was recognized to discuss HB 2682 which she has sponsored. She called attention to new language on Lines 60 through 70, relating to prior approval for expenditures of funds from the corn, grain sorgham and soybean commissions.

Galen Swenson, Grain Commodity Commission Coordinator of the Marketing Division of the State Board of Agriculture was recognized. He said he would have representatives from the three specific commissions testify. He introduced Curtis Ramsey, Chairman of the Kansas Corn Commission, who made a few comments but said that he had no intention of telling legislators how to spend money, nor did he intend to ask for money. He stated that he was present to defend the use of Commission moneys for market development and educational research. He added that their budget is limited and the Commission does not intend to change existing policies and programs, but rather wants the legislators to protect their limited funds from being used for other functions. Mr. Ramsey stated that he was aware there are projects and important programs that need funding, and is willing to support programs like the International Grains Program with Commission funds. Mr. Ramsey urged support of HB 2682, to keep those funds from being used for purposes other than those considered by the Commissions.

Upon questioning, he said moneys were transferred in 1983 for a new Marketing Director in the Board of Agriculture, and in 1984 for a new position at the International Grains Program at Kansas State.

Russ Sylvester of the Kansas Soybean Commission was recognized. He said he felt responsibility to the farmers whose money has been checked off. He stated that some commission moneys go to the American Soybean Commission in St. Louis. In 1983, \$30,000 was legislatively transferred from the budget that the Commission had approved; and \$26,200 in 1984. Of the \$30,000 in 1983, \$20,000 was transferred

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Agriculture and Livestock,
room 423, Statehouse, at 9:00 a.m./p.~~XX~~ on February 2, 1984

to the Parsons Experiment Station. He stated that the Commissions don't get a report back on where the money is legislatively directed so they cannot immediately tell farmers how the money is spent. There was no question that the money went to good sources, but he felt they should have a report on it.

Leon Suderman from the Grain Sorgham Commission, was recognized. He pointed out that there was a need for a monetary carryover because a poor crop last year will reduce revenues to the Commissions. One-half of their money went to the U. S. Feed Grains Council and the U. S. Meat Export Federation to sponsor market promotion trips abroad.

Gordon Conger of Iola, Kansas, and a member of the Soybean Commission, said he would like to see the Commissioners make decisions and would appreciate support of HB 2682. Upon questioning, Mr. Conger agreed it was more a matter of communication than money. He felt the money had not been misspent, but it was a matter of how it was approached.

Clair Niles, a member of the Soybean Commission, mentioned that the money collected during the 1984 fiscal year would not be available until the 1985 fiscal year. They want a handle on how much is to be spent. If the already budgeted money is partially gone, they need to know about it. He did not say they are not in favor of legislative transfers, but would like to be consulted ahead of time. He was asked several questions about the expenditure of the \$20,000 for the Parsons Experiment Station.

Becky Crenshaw of the Kansas Committee of Farm Organizations, testified in support of HB 2682. She said her organization agreed with the purpose of the Grain Commissions and felt the coordinating staff should have final say on how the money will be expended, when legislators question the appropriateness of an expenditure. She feels marketing and research are good.

John Blythe of the Kansas Farm Bureau, said they have been fully supportive of the programs of the grain commissions. He believes there is a lack of communication and perhaps it could be improved in the future.

During questions of the various conferees about the transfer of funds, it was suggested that a bill to carry appropriations be accomplished by a subcommittee of Ways and Means for recommendations, and take those recommendations under advisement and hope the commissions would be able to work with the legislature.

The meeting was adjourned at 9:46 A.M. The next meeting will be Friday, February 3, 1984, 9:00 A.M., Room 423-S.

STATE OF KANSAS

ANITA G. NILES
REPRESENTATIVE, SEVENTEENTH DISTRICT
COFFEY, LYON COUNTIES
LEBO, KANSAS 66856



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
MEMBER ENERGY AND NATURAL RESOURCES
PUBLIC HEALTH AND WELFARE
AGRICULTURE AND LIVESTOCK

Perhaps you don't recall a line item expenditure in a Ways and Means bill last session of \$20,000, to be used in funding one position at the South-East Kansas Agricultural Experiment Station. This money was drawn from the fund that is collected through the soybean check-off - whereby one cent is collected from the sale of each bushel of soybeans.

From this fund expenditures are made for overseas market developments, and research in treatment of various diseases and practices that limit soybean yields.

Wheat, corn, and grain sorghums have similar check offs, with the use of the monies directed by Commissions - persons from over the state who are involved in the production of the grain they represent.

H.B. 2682 simply states that permission of the grain commissions must be given before future expenditures can be made from check-off funds by the Legislature.

As you may remember, it certainly wasn't easy to get the legislation passed to implement the check-off system several years ago. A lot of people worked very hard to get it passed, and there is never enough money to do everything the Commissions would like to do. So, it came as a shock to the Soybean Commission last year to hear \$20,000 of the funds they were making plans

to spend, had already been spent for them.

In years past, agricultural exports have been one of the bright spots in our country's financial picture. And we here are acutely aware that the Kansas economy is very sensitive to the amount of grain and other agricultural products that are exported.

Last fiscal year, the U.S. foreign trade experienced an imbalance, partly because foreign countries were not purchasing our farm products.

But let me share with you what these grain check-offs monies are doing for soybean producers.

Increased export sales revenue \$66.40 for every dollar invested.

On an annual average, increased soybean exports 4.1%; soybean meal exports 11.6%; and soybean oil exports 11.7%

Allowed farmers to sell more beans at higher prices. Export promotion increased gross cash receipts \$57.50 for every dollar invested.

Gross increase in soybean cash receipts paid to farmers \$302 million.

Export promotion increased soybean prices an average of 8¢ a bushel yearly.

In 1983, the U.S. Feed Grain Commission estimates that each producer dollar generates \$5 through matching funds from the Foreign Agricultural Service.

In many instances the increase in grain sales abroad are not just simple sales, but are made as a result of U.S. salesmen showing foreign farmers how they could benefit financially

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through increasing the use of our grains or soybean meal in their feeding rations. Some of the success stories are very interesting.