

Approved Fred A. Kerr

Date 2/14/84

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

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

10:00 a.m. ~~pm~~ on Friday, February 10, 1984, 1984 in room 423-S of the Capitol.

All members were present except: Senator Ross Doyen (E)
Senator Richard Gannon (E)

Committee staff present: Raney Gilliland, Research Department
Jim Wilson, Revisor's Office

Conferees appearing before the committee:

Stephen Anderson, Alma, Kansas
Jack Quinlan, Attorney, representing Seaboard Corp., Shawnee Mission
Roy Poage, DeKalb Corp., & President, Kansas Swinebreeders

Senator Allen moved the minutes of committee meetings held February 3, 6, 7 and 8, 1984 be approved, seconded by Senator Arasmith. Motion carried.

SENATE BILL 519

Senator Kerr announced that opponents to Senate Bill 519 would be heard. Mr. Stephen Anderson stated he is a family farmer appearing before the committee in opposition to Senate Bill 519 on behalf of himself, his wife and four children. He said he loved farming and it's a wonderful place to raise children and he hoped to care for his farm carefully so he can make a living and pass it on to his children. He gets considerable satisfaction from farming and knowing he's helping feed hungry people at home and abroad.

He stated corporations, whether American or foreign, do not have their heart and soul in the farm but are merely in it for money and profits. Mr. Anderson stated there was a surplus of hogs--13% more hogs raised last year and there were depressed prices. Due to the hog surplus, he had received \$37.00 cwo whereas a KSU economist had predicted \$60.00. There is now a program to sell off sows and reduce hog herds and sell market hogs at lighter weights. He stated while KDED was looking at Europe to get a new competitor, it would be more beneficial to spend the taxpayers dollars in developing and attracting new industries to Kansas to utilize our surplus products into marketable products.

Mr. Anderson called attention to an article in the January, 1984 PIG AMERICAN publication titled, "UK company plans American Invasion" which also included an ad in an England publication for "USA General Manager of a Pig Farming Company". (Attachment 1)

Mr. Anderson pointed out all agriculture is in serious financial crisis. He is concerned about the water to be used by such a huge facility--saying hogs take a lot of water. He feels the water level is low, particularly in western Kansas and referred to a law suit by the Attorney General with Colorado. He noted a comparison if such an industry would locate in western Kansas and later pullout as did Gates Rubber in Colorado which is devastating to the community and adds to unemployment. He questioned whether it would be an economic bonanza or another Wolf Creek.

He feels such an 11,000 sow operation would in all likelihood displace some 110 family farmers and concentrate it all in one location. Every district where this operation is not located will lose economically.

He spoke of the flu epidemic among chickens in eastern U.S. which is costing the government millions and fears hogs so confined in large numbers could also lead to such a situation.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS,
 room 423-S, Statehouse, at 10:00 a.m. ~~pm~~ on Friday, February 10, 1984, 19 .

Again, he pointed out the hog surplus and that the dairy program in which farmers are paid to not produce milk; there is no government meat program but a big surplus there also. He suggested if we really want to help the most people, charter several new foreign banks in the U.S. (he mentioned Plains), with the stipulation they lower interest rates 2%. He realizes America has to compete with foreign markets and foreign governments, but feels the high interest rates are unfair. He stated he did not want to entrust agriculture to corporations. "I ask you to vote NO for Senate Bill 519."

Answering Senator Norvell's inquiry as to how he feels such a swine operation would affect the market for hog producers we have in the state, Mr. Anderson stated he feels it would affect it a lot and would put many small producers out of business. Responding to another inquiry, Mr. Anderson stated he did not know how many hogs were raised in Kansas last year. He stated he belongs to associations and bureaus and they should know. He entrusted them to look after his interests as a member and expressed concern about them not testifying. Answering a further inquiry, Mr. Anderson stated he had attended a recent meeting of hog producers and mentioned he was testifying before the committee, but most of them felt it wouldn't do any good, but he believes in the legislative process and appreciates the Kansas legislature.

Committee members expressed appreciation to Mr. Anderson for his testimony. Senator Montgomery inquired just how many acres would be needed for a buffer zone for waste and odor. Mr. Anderson answered he did not know--his hogs are not confined, he does not have to haul waste but he can't always get away from the odor. Senator Karr inquired where he marketed. Mr. Anderson stated Junction City Livestock, but he is a feeder producer.

Mr. Quinlan stated there were a few corrections to be made in the Attorney General's opinion of October 31, 1983. On the last line of the first page the word breed should be changed to bred and fed instead of feed; and delete and slaughtered, so the sentence would read, "The hogs will be bred and fed on the feedlot premises." And the first sentence on page two should read, "The hogs are intended to be bred for sale before slaughter" instead of "The hogs are not breed for sale before slaughter."

Senator Kerr inquired exactly how much land are we talking about now and later. Mr. Quinlan stated three separate parcels, roughly 320 acres each or a total of 960 acres; a lagoon would be used and they would comply with EPA regulations.

Roy Poage stated DeKalb rented to farmers the land they do not use.

Mr. Quinlan also stated they would not involve land in excess of what DeKalb has.

Answering Senator Montgomery's inquiry, Mr. Poage stated they have a soil lagoon--they have had no problems with them for 20 years.

Answering Senator Karr's inquiry, Mr. Poage stated they have 11 sales outlets, including Mississippi, San Antonio, California, Colorado and Iowa.

The meeting was adjourned.

#####

SENATE

AGRICULTURE AND SMALL BUSINESS COMMITTEE

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

Friday, Feb. 10, 1984

Date

NAME

ADDRESS

ORGANIZATION

Mike Bevan Topeka Ks. Livestock Assn.

Lucy Hellbust Manhattan KDP

Jack Quinlan Topeka SEARCHER - PAULS - WHITE

Paul Skellern Shawnee Mission Searcher

Roy Hoage DeKalb Ill DeKalb Swine Breeders

Opus Smith Liberal, Ks. Small Animal & Horse De Kalb Swine Breeders

Wain Nagel Topeka Budget

James H. Anton DeKalb, IL OKALB Swine Breeders

Mary Harper Healy AAM

Wade Anderson Topeka KDED

Ron Christianson Topeka KDED

Chip Wheelen Topeka Ks Legis. Policy Group

Brad Smoot Topeka Att'y Gen.

Joe Josselyn Topeka Secretary of Dept

Becky Crossman Topeka CKFO

Lee Lyles Topeka KLA

Foreign Manager

Partner

UK company plans American invasion

One of the largest companies directly involved in swine production in western Europe is making plans to start its own hog unit in the USA.

At its home base in England, Pauls & Whites plc* is perhaps best known nationally as the name behind several feed mills spread across the country. But it also has a 50% stake (a super-market chain holds the other half of the shares) in a hog-producing enterprise called Breckland Farms which recently has had another 1000 sows added to take it up to 4750 sows in size. And it operated a contract pig scheme through which it cooperated with its farmer customers in the joint production of 440,000 hogs in 1983.

Now it seems 1984 will be the year when Pauls and Whites becomes a presence on the American pig scene as well. Although several aspects have still to be finalized, one point already decided is its US venture will take the form of a breeding-finishing unit starting out at 2000 sows.

Also known is it is to be a joint venture with an American company. The British businessmen won't yet reveal who their partner is, but they do acknowledge it's someone currently unconnected with hog production although having some agricultural links.

They are equally cautious about the intended location for the new enterprise, other than saying it certainly will be somewhere in the Midwest. In fact, the exact site has yet to be agreed; there are a number of possibilities, none of which has a hog farm on it at present.

"We'll be starting with bare ground," confirms the company's chairman (president), George Paul. The housing to be used will not differ radically from existing US styles (in the same way that Breckland's hog-houses are already not too dissimilar from American layouts), and will include cooling foggers, he explains.

"One of the advantages of the Midwest is that, although it can be very hot in summer compared with what we are

FOUR SEASON
MAKING CONTRACTS
WEST WALES. Contract maker required

EXPERIENCED HERDSMAN
Looking for someone capable of high level of stockmanship, able to study up-to-date methods and keen to continue the improvement in our Dairy

USA
General Manager
PIG FARMING COMPANY

This is the first appointment in a new joint British/US venture to establish a breeding and fattening farm and feedmill in the Mid-West, USA. The first unit will be for 2000 sows, but significant growth will follow as soon as operational efficiency and profitability have been achieved.

The General Manager will be involved from the beginning with site selection, construction, recruitment and training, and commissioning. He will be responsible for the overall profitability of the business including both live-stock production and marketing, and control of the feedmill.

We are looking for a man with sound knowledge of pigs and the commercial competence to run and expand a profitable, efficient business. He is unlikely to be below age 35, he will hold an agricultural degree or diploma, have had line management experience and will be a self-starter who enjoys independence of action. The desire to settle in the USA and make the job a long-term career is important.

Salary and conditions will be in line with US practice and well above those in the UK; assistance with relocation will be provided.

Application forms can be obtained by phone or written request to

C.B. Drake, Group Personnel Manager,
Pauls & Whites plc,
47 Key Street, Ipswich, Suffolk IP4 1BX.
Tel. 0473 58711

The British-based company of Pauls & Whites, plc, is seeking a general manager for its newly proposed American pig venture. So far, efforts to find a manager have been confined to England, as evidenced by this advertisement, which appeared recently in British newspapers.

used in England, it also is a dry atmosphere so we can employ water foggers for cooling," Paul comments.

Obviously this could have been only a minor reason for the choice of a Midwest location. Certainly the merits of having ample feed materials available are well recognized, but probably of greatest importance has been that in the Midwest one finds state laws which

permit farming investment by a British company.

On the feed side, incidentally, Pauls intend to put their diet manufacturing know-how to good use by erecting their own feed mill to support the new unit. Like the unit itself, the mill will contain provision for a rapid expansion since the company has declared that "significant growth will follow as soon as

38 - PIG AMERICAN - JANUARY, 1984

Atch. 1