

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Allen at
Chairperson

8:00 a.m./~~p.m.~~ on March 6, 1985 in room 423-S of the Capitol.

All members were present except: Senator Doyen (excused)

Committee staff present: Raney Gilliland, Research Department
Jim Wilson, Revisor of Statutes Department

Conferees appearing before the committee:

Senator Allen called the committee to order. Senator Gannon made a motion to approve the minutes of the February 27, 28 and March 1 committee meetings. Senator Karr seconded the motion. Motion carried.

Senator Allen announced the committee was ready to take action on SB 287. Raney Gilliland explained the new balloon form of the bill concerning soil amendments. (see attachment A).

Discussion followed concerning the word 'soil amendments' which was explained as meaning more a soil additive but 'soil amendments' is the term used nationally. Jim Wilson stated this bill gives the State Board of Agriculture authority to require proof of value of a soil amendment when no proof is given or recorded about the product.

Senator Karr made a motion the committee accept the proposed amendments to SB 287. Senator Warren seconded the motion. Motion carried.

Senator Warren made a motion the committee recommend SB 287 be passed as amended. Senator Karr seconded the motion. Motion carried.

Senator Allen ask for committee action on SB 300. Senator Norvell presented a new section one as an amendment to SB 300. (see attachment B). After discussion, Senator Norvell made a conceptional motion the committee accept the new section one to SB 300. Senator Karr seconded the motion. Motion carried. Jim Wilson explained with the new amended section one that section seven needed to be deleted from the bill. Senator Arasmith made a motion to remove section seven from SB 300. Senator Norvell seconded the motion. Motion carried. Discussion followed concerning monthly reports and crime committed if report is filled out with false information. It was stated that by listing the crime, a class D felony, by the signature line it might deter false statements. Mr. Wilson stated an explanation of a class D felony should be included also.

Senator Gordon made a motion the committee recommend SB 300 favorably for passage as amended. Senator Montgomery seconded the motion. Motion carried.

Senator Allen announced the next bill for committee action would be SB 172.

Senator Norvell said that he wholeheartedly supports SB 172. He indicated that he thought SB 172 contained several provisions which were badly needed for the Kansas farmer at this time; the need for competent legal assistance, the need for stress counselling, the need for coordination of ongoing job retraining and employment programs for farmers, and the need for development of expertise on Federal Farm Programs at the state level.

Senator Montgomery stated he felt the proposals of SB 172 needed to become effective as soon as possible; therefore he suggested SB 172 become effective April 1. Senator Karr made a motion to amend the effective date from publication in the Statute book to April 1 when printed in the Register. Senator Norvell seconded the motion. Motion carried.

Senator Allen declared the committee adjourned at 9:00 a.m.

SENATE BILL No. 287

For consideration by Committee on
Agriculture

By Committee on Agriculture

2-19

0017 AN ACT concerning the Kansas soil amendment act; relating to
0018 substantiation of value and usefulness; amending K.S.A. 2-
0019 2801 and 2-2804 and repealing the existing sections.

2-2803

0020 *Be it enacted by the Legislature of the State of Kansas:*

0021 Section 1. K.S.A. 2-2801 is hereby amended to read as fol-
0022 lows: 2-2801. This act shall be known and may be cited as the
0023 *Kansas soil amendment act of 1975.*

Sec. 2 (attached)

0024 ~~Sec 2~~ K.S.A. 2-2804 is hereby amended to read as follows:
0025 2-2804. (a) Each container of a soil amendment shall be labeled
0026 on the face or display side in a readable and conspicuous form to
0027 show the following information:

3.

- 0028 (a) (1) The net weight of the contents;
 - 0029 (b) (2) the name of the product;
 - 0030 (c) (3) the guaranteed analysis, including the name and the
0031 percentage of each active ingredient; and the percentage of inert
0032 ingredients;
 - 0033 (d) (4) a statement as to the purpose of the product;
 - 0034 (e) (5) adequate directions for use; and
 - 0035 (f) (6) the name and address of the registrant.
- 0036 (b) Bulk lots shall be labeled by attaching a copy of the label
0037 to the invoice, which shall be furnished the purchaser. ~~On and~~
0038 ~~after January 1, 1982,~~

0039 (c) No active ingredient may be listed or guaranteed on a
0040 label or labeling of a soil amendment without the secretary's
0041 approval. The secretary shall allow an active ingredient to be
0042 listed or guaranteed on the label or labeling if satisfactory sup-
0043 portive data is provided the secretary to substantiate the value
0044 and usefulness of the active ingredient. *In any case where there*
0045 *are no active ingredients or there are no claims made for the*

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0046 *product, the secretary may require supportive data or informa-*
0047 *tion to substantiate the value and usefulness of the product. The*
0048 *secretary may rely on outside sources such as the agricultural*
0049 *experiment stations established by K.S.A. 76-465 and amend-*
0050 *ments thereto for assistance in evaluation of the data submitted.*

0051 (d) When an active ingredient is permitted to be listed or
0052 guaranteed, it must be determinable by laboratory methods and
0053 is subject to inspection and analysis. The secretary may pre-
0054 scribe methods and procedures of inspection and analysis of the
0055 active ingredient.

0056 (e) The provisions of this section shall not apply to any bulk
0057 lots of animal manures except that the quantity and name of any
0058 ingredients added thereto shall be specified.

0059 Sec. ~~3~~ K.S.A. 2-2801~~4~~ and 2-2804 are hereby repealed.

0060 Sec. ~~4~~ This act shall take effect and be in force from and
0061 after its publication in the statute book.

2-2803

"Sec. 2. K.S.A. 2-2803 is hereby amended to read as follows:
2-2803. As used in this act, unless the context otherwise
requires:

(a) "Soil amendment" means and includes any substance which
is intended to improve the physical, chemical or other
characteristics of the soil or improve agricultural crop
production, except that it shall not include the following:
Commercial fertilizers, agricultural liming materials including
ground and slaked lime, unmanipulated animal manures, vegetable
compost and pesticides.

(b) "Name" means the specific designation under which the
individual product is offered for sale.

(c) "Bulk" means in nonpackaged form.

(d) "Distribute" means to import, consign, offer for sale,
sell, barter or to otherwise supply soil amendments to any person
in this state.

(e) "Label" means the display of written, printed or graphic
matter upon the immediate container of a soil amendment.

(f) "Unmanipulated animal manures" means the refuse of
stables, barnyards or feedlots consisting of animal excreta with
or without litter.

(g) "Secretary" means the secretary of the state board of
agriculture.

(h) "Board" means the state board of agriculture.

(i) "Active ingredient" means the ingredient or ingredients

which affect the physical, chemical or other characteristics of the soil and thereby improve soil condition.

(j) "Inert ingredient" means the ingredients which do not have any beneficial effect but are present in the product.

(k) "Person" means individuals, partnerships, associations and corporations.

(l) "Percent" or "percentage" means by weight.

(m) "Registrant" means any person who registers a soil amendment under the provisions of this act.

(n) "Value" means that a product provides statistically established economic benefits to the end user of the product.

(o) "Usefulness" means that there exists data on a product that proves that the product has a beneficial contribution towards the improvement of the physical, chemical or other characteristics of the soil or that the product improves agricultural crop production.

(p) "Agricultural crop production" means the production of field crops commonly grown in Kansas as opposed to horticultural or landscaping stock.";

EXPLANATION FOR AMENDMENTS TO SB 300

STRIKE NEW SECTION 1 (a). (0026-0031)

Federal and state bankruptcy courts recognize scale tickets as being equal to warehouse receipts in terms of both being certificates of title. The requirement to issue a warehouse receipt within 30 days of receipt of the grain is not only unnecessary but would also be extremely burdensome to both warehouseman and grain producer for two reasons:

1. Most farmers produce thousands of bushels of grain but traditionally sell it in small lots (i.e. 250-500 bu.). A 10,000 bushel producer is considered small in Kansas terms but under the provisions of Section 1 the warehouseman may have to issue him as many as 40 warehouse receipts. Warehouse receipts are negotiable and regulated (either the Kansas Grain Inspection Dept. or the Federal government). The farmer is responsible for the warehouse receipt safekeeping and if lost or stolen he could conceivably suffer a financial loss.

2. Under Kansas law, country elevators may transfer "open stored" (no warehouse receipt issued) grain to another licensed and bonded warehouse in order to make storage space available at the local level. Warehouse receipted grain cannot be moved unless the warehouse receipt is surrendered by the farmer and canceled. Section 1 provisions would make it extremely difficult for the country elevator to function both prior to and during grain harvest.

STRIKE A PORTION OF SUBSECTION (c). (0039-0045)

Cash sales of grain should not require written contracts. The only written document necessary to consummate a cash sale should be the check for payment. Delayed payment and delayed pricing contracts must be in writing hence the amendment to line 0045.

AMEND SUBSECTION (d) (0062-0069)

If the warehouseman grants a security interest in the grain he would be unable to sell the grain - which he must do to enable him to assure the farmer the price stipulated in the delayed payment contract can be paid. The same goes for a delayed pricing contract - the warehouseman must be able to hedge and/or sell the grain to meet contract provisions.

Both delayed pricing and delayed payment contracts must pass title of the grain to the warehouseman.

The letter of credit amendment allows the warehouseman to sell the grain and use the proceeds to secure a letter of credit naming the farmer as beneficiary -- 100% protection and the farmer's tax status is unaffected.

3/6/85 attachment B