

Approved January 22, 1986
Date

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Allen at
Chairperson

10:10 a.m. ~~p.m.~~ on January 21, 1986 in room 423-S of the Capitol.

All members were present except:

Committee staff present:

Raney Gilliland, Research Department
Fred Carman, Revisor of Statutes Department

Conferees appearing before the committee: Harland Priddle, Secretary of the State Board
of Agriculture

Senator Allen, Chairman, at 10:10 a.m., called the Senate Agriculture Committee to order and then welcomed the members to the first committee meeting of this session. The Chairman called the Committees' attention to the agenda for this week. The Chairman introduced Harland Priddle the Secretary of the State Board of Agriculture.

The Secretary gave copies of the book, "67th Annual Report and Farm Facts" to each Committee member. Secretary Priddle then expressed appreciation for the legislation the Committee completed last session which updated some of the laws pertaining to the State Board of Agriculture. He then handed out copies (attachment 1) explaining activities of the State Board of Agriculture for 1985. The Secretary made a slide presentation to show activities of the State Board of Agriculture. Secretary Priddle explained the FACTS Program created by last years legislature is working well as organized. He stated that the average age of farmers calling the FACTS Office is 49 years of age and is one who has been farming an average of 25 years. He reported 70% of the calls request financial help information and legal aid. The state received \$15,000, to be used for food for farm families, from the Willie Nelson Farm Aid Concert.

During questions, Mr. Priddle was ask if the FACTS Program needed more staff as it sometimes takes two weeks for a farmer to receive a return call from FACTS. Mr. Priddle said he did not know it was taking that long on return calls, but that more help was being requested. Mr. Priddle was ask what the State Board of Agriculture plans were for international marketing this year. Secretary Priddle explained plans were to continue working as in the past, and especially, with Mexico and China. He explained it is a slow process to work out international sales.

The Chairman thanked Secretary Priddle and then announced that on January 28 organizations would be appearing before the Committee to present requested legislation. Senator Allen adjourned the Committee at 11:00 a.m.

TESTIMONY

TO

SENATE AGRICULTURE COMMITTEE

JANUARY 21, 1986

BY

HARLAND E. PRIDDLE
SECRETARY
KANSAS STATE BOARD OF AGRICULTURE

*attachment 1
1/21/86 Sen Ag.*

REVIEW

OF

KANSAS STATE BOARD OF AGRICULTURE

ACTIVITIES

FOR

1985

Each year always brings challenges and opportunities for us in the Kansas State Board of Agriculture and the year of 1985 was no exception. As we began last year, we asked you, the legislature, to address a significant number of issues for us and you responded in a very positive way. The 1985 legislative session was a milestone in updating our laws for which the agency is assigned responsibility. Twenty-six separate statutes were addressed and changed or implemented during this year as a result of your actions, and I would like to express my appreciation to you for supporting us in this very important issue of legislative matters.

This morning we will briefly review our agency and the accomplishments and challenges of 1985 during the first portion of my presentation, followed by a discussion of statutes passed last year and being implemented at the present time, and, finally, we will briefly summarize what we consider to be the significant legislative issues in our area of responsibility during the 1986 legislative session.

The Kansas State Board of Agriculture Year in Review was highlighted by internal reorganization; the establishment of a new program, FACTS; the implementation of the many statutes we mentioned above; as well as continuing our routine regulatory and market development activities.

This year we completed consolidation of activities within our agency, bringing us to a total of six divisions. The objective of our reorganization internally has been to provide more efficient operation as well as consolidation of common areas of work. For example, in 1984 we established an Inspections Division and consolidated all of the inspection functions of weights and measures, control, dairy, eggs, and meat and poultry. The year of 1985 saw us complete our consolidation work in moving the divisions of weed and pesticide and entomology into a single Plant Health Division. This allows one person in the plant health area to work with EPA, Kansas State University, legislators, and other areas of government, as well as the private sector, instead of the previous two divisions of weed and pesticide and entomology. It also allows us to group our field personnel and ask them to perform field support functions in a consolidated way. For example, our five area weed supervisors have been realigned to ecological specialists, which allows them to expand their area of responsibility and cut down on travel and duplication of effort. 1985

also was a year of consolidation in our dairy program. Prior to this year, we had contracts with the county health departments of Sedgwick, Shawnee and Wyandotte. These particular contracts provided support not only to those three specific counties but to 57 counties throughout the state of Kansas. We did not renew these contracts and realigned that support into the state system of inspection directly under the Dairy Commissioner. Personnel working within those counties were transferred from the cities to us for supervision. This consolidation, along with the elimination of separate inspectors for grade A and manufacturing milk, has allowed us to identify savings in this particular program function. For example, our travel is down in the milk inspection area some 10 percent over last year's expenditures. Of course, we will have to wait until the end of the year to determine if we met our goal of savings of approximately \$130,000 over last year's administration under contract.

Moving from internal reorganization, let's discuss the Farmers Assistance, Counseling, and Training Services Program. This was the year of FACTS with its beginning on July 1, 1985. The program office is located in Manhattan adjacent to the Kansas State University Extension Service. The implementation of this program was a joint effort between the Kansas State University Extension staff and the Kansas State Board of Agriculture. The original thought of having this office 60 miles from our office lead us to believe it may be difficult to implement and manage, but, I must admit to you, nothing could be further from the truth. With the establishment in Manhattan, the FACTS program has taken on its own identity and is not related directly to us or to Kansas State University. It is perceived by people across the state as their crisis Hot Line in time of need. We organized this program using the Hot Line as a primary means of contact from people in the field working directly with our staff of six persons full time and two part time. Then, providing an umbrella effect back down to the community or originating level for assistance. It was not our intent to duplicate services already in existence or to try to solve all the problems within our own staff, but rather provide a referral service and a service that would be available to people in a variety of problem areas in agriculture. We believe we have achieved this. I would now like to present some specific facts about FACTS. During the first six months of operation, we have received approximately 2,000 calls from across every county in the state of Kansas. These calls were the primary contact calls and do not

include the number of return calls we have made or follow-ups we have accomplished. I provided you an outline indicating the areas of importance and some statistics about our calls and it is attached to this testimony. There were some surprises for us. For example, the average age of callers from day one until the present time has been 49 years old and not the young, 35-year-old farmer we thought we would hear from the most. The number of years in farming has not been four or five or six years like we anticipated but 25 years. Approximately 70 percent of our calls relate to financial or legal problems. Approximately 11 percent of our calls deal with farmers and/or their wives who are looking for jobs in the employment area or retraining possibilities. About 5 percent of our calls deal strictly with stress or family problems. Calls are the highest from the south central and northeast part of the state and lowest in the southwest section, which corresponds directly with net farm income across the state of Kansas. We are receiving the most calls from people who are trying to buy all of their land they are farming and the least calls from farmers who rent. Of particular importance to us is the referrals we are making in the areas or agencies receiving those referrals. Over 40 percent of our calls are being referred back to the Kansas State University Extension Service. Their FinPac Program, the analysis of a farmer's financial status, is particularly popular and we believe this referral back to extension provides us and the State of Kansas a practical application of the Cooperative Extension Service working hand-in-hand with actual problems existing on farms. One of the things which makes Kansas' program different from other states is the legal services available. Thirty-two percent of our calls have been referred to this source for assistance. We are not trying to recover those people who are already in foreclosure or bankruptcy and cannot be recovered. We are concentrating on those individuals and their businesses who can recover if given help. We have had an extremely effective and beneficial relationship with the Kansas Legal Services and believe they are providing a service that no other state is providing through its Hot Line service. As we look to the future for FACTS, we have tremendous challenge in the area of getting the most use from the dollars we are spending. We are working closely with legal services and our own staff in developing a team of paraprofessionals who can make that first contact and determine if legal service is desired. In the event it is desired, we will then work closely with the legal services staff to provide this support. We are also looking at the possibility of expanding our staff slightly to coincide with the original

requirements as outlined in the proposed bill as it began through the legislative procedure last year. Our Hot Line is busy a large percentage of the time at the present time. If we were to establish a second Hot Line, we would not, at this time, have the staff to support those calls. As we move through this winter season, we expect the calls to increase and they have already indicated that they will. The month of December was twice the number of calls as the month of September. In closing this discussion on FACTS, I would reemphasize that our program is an umbrella program, which involves not only our staff in Manhattan, the Kansas State University Extension Service, and the Kansas Legal Services, but every community throughout the state of Kansas. We emphasize to all groups that it is important that communities become involved once one of their members is in trouble. In the 1930s and Depression Era it was different than it is today.

All farmers were in trouble at that time mostly due to identifiable causes such as the Dust Bowl. Today, your next door neighbor may be in trouble but you may not know it. This philosophy emphasizes the need for people to be concerned and be helpful in every possible way. I would also reemphasize, in closing, that this is a confidential service for people who need assistance. We do not and have not in the past produced and distributed success stories throughout the state. We believe those stories are confidential between the people we help and our staff in Manhattan. I would say on behalf of agriculture and particularly those 2,000 people who we have reached out our hand to during this past six months, we appreciate your concern and your passing this legislation and believe it is serving a need for Kansans in trouble. We will do our very best to continue that effort in the future.

In moving from those two specific discussions of internal reorganization and FACTS, let's briefly review the year of 1985 as regards are regulatory and market development activities. The newest of our six divisions, as I mentioned previously, is the Plant Health Division under the new Director, Dale Lambley. In the noxious weed area, under Freeman Biery, we continue to work with all 105 counties to coordinate noxious weed control for the elimination of such pests as Johnson Grass and other noxious weeds. Last year 1,528,000 acres were treated in Kansas. The plant protection section, under Dean Garwood, continued its activities in the Kansas Plant Pest Act, the statute designed to prevent a retard movement of a vast array of insects, such as Gypsy Moth and other pests, moving into our state. This

section also performs 1,175 inspections of grain and other commodities prior to shipment to foreign countries. This was about the same number of inspections as performed in the previous year. In the pesticide registration area and pesticide use area, we are concerned with the proper labeling and the proper use of chemicals throughout the state of Kansas. This is a major task since there are now more than 1,000 commercial and 19,000 private certified applicators. These two sections also are involved in investigation of complaints. Last year we received a total of 220 complaints of misuse of chemicals throughout the state. The Division of Plant Health has two new programs, pesticide dealer registration and Chemigation Safety Law. The dealer registration program allows the state of Kansas to administer the sale and use of pesticides rather than the Environmental Protection Agency. In the EPA interpretation, wives could not pick up restricted-use pesticides and transport them to the husbands who may be in the field. Our new program will allow us to make interpretations and still be within the intent of safe application of chemicals. We will discuss the implementation of this program at a later time this morning. The Chemigation Safety Law deals with chemicals applied through irrigation systems. It's designed to be an initial step in applying safety precautions to the prevention of contamination of groundwater during the chemigation process. In Kansas we have approximately 9,000 circle systems alone operating within the state, so the new law by this division is a major undertaking. As with the case of dealer registration, we will talk more about the implementation of this later. The Division of Inspections, under Larry Woodson, continues the enforcement of some 19 separate laws. In the control section, where we deal with truth in labeling as well as monitoring the integrity of supplies being sold such as fertilizers, a total of 4,239 samples were collected by this section. It was necessary to place 345 stop sales on products that were improperly labeled or improperly constituted. Looking at it from a positive side, 3,900 samples we looked at were within tolerance. Feed tonnage for 1985 was down 3.5 percent and fertilizer was up 4.5 percent. The new Seed Law was implemented during this year and allowed us the opportunity to implement some new management procedures. We are now monitoring advertising in newspapers and providing the farmer guidance on his responsibilities on labeling and testing of seed. We believe it is working effectively and within the intent of the law. We are working very closely with the Kansas Crop Improvement Association and seed dealers in implementation of this very important law. In the dairy program, as I

mentioned before, we consolidated this year as well as changed our procedures in inspecting 2,000 grade A and manufacturing milk producers. No specific issues of any particular problems or violations have occurred during this particular year. We did implement our labeling law this year with success. We do not have any particular or significant problems in the implementation of the labeling law, but we will keep a close watch as we continue our efforts in this regard. In the meat and poultry area, we continued our full inspection of 199 plants and some 38 custom plants. We also worked with 82 distributors of brokers of meat and poultry products. The Bait and Switch Law, passed previously, became active but did not result in any violations but certainly did cause a great deal of activity in making sure that people were within the law. In other words, that law is working and we appreciate your efforts in the past in that regard. The meat and poultry program is being recommended for deletion during this legislative session and assumption by the United States Department of Agriculture. I have placed within your packet a letter from USDA, which essentially says "We don't want it." They basically have informed us the lack of funds does not allow them to provide a wholesome meat inspection program on behalf of states that would like to surrender their program back to the federal level. More will be discussed on this, I am sure, at special hearings but the situation is different than it was in 1983. Federal officials have provided us documentation in the area of increased cost to producers, reduced service, and inability for the federal level to perform the service. In our weights and measures area, we implemented our new large scale calibration program. This year we asked scale companies across the state to train their representatives with us for licensing and certification. They, in turn, would provide the large scale calibration followed by documentation to us on their findings. This new concept, we are happy to say, is working. The private sector companies have been particularly responsive to training. During the past six months these companies have checked 1,066 scales, which is nearly the entire total we would check on an annual basis. Our goal here, of course, is to test every large scale in the state of Kansas on an annual basis. We are pleased with this new program and believe that as we continue the implementation, we will refine it and be able to achieve some savings in travel as well as provide an accurate and effective weighing system in the state of Kansas. This was the year we also updated our overall Weights and Measures Law. We were able to eliminate phrases that were completely out-of-date and allow us to conform to the National Bureau

of Standards program. We have no problem in the implementation of this law and appreciate your work in this area. In the small scales area, we checked 7,823 and we found 96 percent of those to be accurate. In our labeling and packaging area, we checked 107,867 packages and found 77.8 percent of those to be correct weight or over for the consumers. We are pleased to report we did not have any major anhydrous ammonia safety accidents during the past year. We inspected 929 anhydrous ammonia facilities as well as 610 LP gas meters. In the gas meter area, we found 83.7 percent to be accurate. In summary of the inspection program, we believe we have consolidated our inspection program into a more effective area and we are meeting the needs of consumers as well as producers in the state of Kansas. The Division of Laboratories, which does the analysis for not only our Board of Agriculture field personnel but farmers and other consumers across the state, continued its high rate of analysis. We analyzed 36,625 samples this year, which included feed analysis, fertilizer analysis, meat, dairy and dairy residue, pesticide and seed analysis. The workload increased .5 percent this year and has remained steady throughout the past years and we believe it will be the same; however, we are aware of a new seed laboratory being constructed by the Kansas Crop Improvement Association, which might reduce our seed analysis program in the future. This, of course, would reduce fee funds generated from this source. Water continues to be an extremely important subject in the state of Kansas. Requests for appropriations and drilling the water wells continues to decline down from 616 in '84 to 542 reduction in '84. Most significant accomplishment during this year was increasing our audits on already drilled water wells and perfecting their water right. Last year we completed 1,762 of these, which was an increase of 532 over the previous year. This audit is extremely important as it establishes the water right as a property right and we are attempting to catch up with that some ten year backlog that has been there for years. We continue to work with the Water Office and the Water Authority in the implementation of minimum desirable streamflow as well as other areas in the water plan. Water structures continue to be important to us and we are concerned with dam safety. Although we have responsibility for the program, federal funding was deleted some three years ago and no funding from the state has been provided to support this important function. We are attempting to do this within our own resources but, obviously, cannot do all tasks with the same number of people. The Ark River Compact is not a new subject to you. In December, the Attorney General filed a motion with the United States

Supreme Court alleging Colorado violated the compact. David Pope, our chief engineer, works closely with the compact, as well as the Attorney General and the state of Colorado, in attempting to resolve this long-standing issue. The Division of Statistics (or the Kansas Crop and Livestock Reporting Service) remained active and gave us good news and bad news during this year. Kansas leads the nation with more than 25 million acres of prime farmland. We also lead the nation in wheat, milo and beef production. With a wheat crop of about 440 million bushels, we produced 50 percent more than second ranked North Dakota. Our milo crop approached 300 million bushels, at 25 percent more than number two ranked Texas. 1985 saw Kansas obtain a new number one status. Cattle slaughter in the state through the first ten months of 1985 exceeded 5.8 billion pounds, nearly 8 percent more than number two Texas. Price for the product is still the number one problem with Kansas farmers. The current parity ratio, which measures prices received as compared with prices paid, was little more than 50 percent with most grain prices well below the 50 and livestock not much better. Farm income through the 80s has been disappointing and '85 was no exception. On the average during the 80s, government payments have accounted for about 60 percent of net farm income. In two of the past five years, expenses have exceeded cash receipts. Land values continue to decline--down another 20 percent in this past year--and this, accompanied by declining livestock and machinery values, saw farm asset values down 20 percent from 1981. At the same time, we saw Kansas farm debt climb about 25 percent. As a result, the debt to asset ratios of Kansas farmers have increased from a low of 18.2 in 1980 to nearly 30 at this time. This means that farmers now owe about \$3 for every \$10 in assets in the state of Kansas. In our Division of Marketing, Eldon Fastrup and his staff of 13 people attempt to find buyers for what Kansas has to sell. This year has been a significant year in many areas. In the international marketing area, we witnessed and observed the maturing of our sister-state relationship with Henan Province. During the legislative visit to Henan Province in 1985, two contracts were signed for a total of \$3.2 million for Kansas companies. These companies were in the areas of feed mill and grain storage and handling. Since that time, another feed mill has been sold to a neighboring province in China. Also in the area of international marketing, we continue to work with our neighbors in Mexico. We sponsored a team of livestock breeders into Mexico in October and, in cooperation and coordination with the international livestock program, made presentations at seminars on the importance of Kansas cattle

and their breeding programs. As a result of this visit, 200 head of dairy heifers have been sold, approximately 300 head of beef heifers, and approximately 30 bulls. We also worked internationally with two procurement missions from Taiwan visiting our state for a total of \$40 million. We co-hosted the international food show sponsored by the National Association of State Departments of Agriculture in Kansas City and recruited 11 Kansas companies, which had sales over \$2 million from this particular show. In the domestic marketing areas we continued to work aggressively in the trademark area "From the Land of Kansas". Twenty-four companies are currently participating in this program. We also worked with all the commodity organizations and the "Pride of Kansas" building at the Kansas State Fair, national agricultural day, and published items in the Kansas magazine features as well as Market Basket News. In our market service area, we continued to automate and provide services to producers of Kansas. One specific example relates to the publication of a hay directory of which over \$2 million in hay sales was identified as a direct result of out-of-state people having our hay directory. The Kansas Ag in the Classroom program is one of the best in the country and spearheads the effort to project agricultural topics into the curriculum in Kansas schools--grades kindergarten through 12. The Ag Foundation, which has membership from across the state as well as direction from the Department of Education and assistance from us, is a model to others throughout the United States. As we closed the final quarter on 1985, we were able to host Secretary of Agriculture John Block at the Kansas State Fair as well as hosting the first ever Kansas/Japan Agricultural Trade Conference in Wichita. Our commodity commissions continued to dedicate their funds, originating from farmers, to market development and research. These funds are used about 60 percent for market development and 40 percent for research at Kansas State University or other areas on behalf of producers of Kansas. This is but a quick glance of the past year of our divisions but the challenge of the future is already here. We know that the international marketplace demands competitive, aggressive action on all our parts. We know that we must continue our efforts in domestic marketing to allow the commodity organizations to market their products within the state as well as outside the state in a profitable and aggressive way. As we look to the regulatory functions, we will attempt to provide the necessary management in support of statutes for which we are responsible.

NATURE OF REQUESTS FOR ASSISTANCE

Approximately 12.79% of the problems we receive fall into other categories. These include calls such as the following:

Information about State Loan Programs

Information about Government Loan Programs

Information about FmHA Regulations

Assistance in Developing Community Programs

Help in finding Speakers for Community Meetings

Information about Other Helping Programs

Information about the FACTS Program from other states trying to establish similar programs

Information about Radical Organizations

NATURE OF REQUESTS FOR ASSISTANCE

Family problems constitute 5.71% of all problems we are called about.

TYPE AND DISTRIBUTION OF FAMILY PROBLEMS

Need food	7.88%
Need medical assistance	10.84%
Need monetary assistance	19.22%
Family and/or marital problems	28.57%
Emotional Problems	23.15%
Other	10.34%

FACTS REFERRALS

Public assistance programs	75.00%
Community Mental Health Centers	
Commodity Distribution Centers	
Food Stamps	
County Health Offices	
Private assistance programs	25.00%
Willie Nelson Money	
Local Service Clubs	
Churches and Church Associations	

NATURE OF REQUESTS FOR ASSISTANCE

Employment/Retraining problems constitute 10.66% of all problems we are called about.

TYPE AND DISTRIBUTION OF EMPLOYMENT/RETRAINING PROBLEMS

Lost the farm	48.34%
Need additional income to stay on farm	51.66%

FACTS REFERRALS

Kansas Job Service Centers	30.82%
Dislocated Worker Programs	10.08%
School Placement Centers	8.68%
Vocational Retraining Programs	17.93%
Financial Assistance Programs	8.40%
Other (SER Corporation of KS, Area Agencies on Aging, etc.)	24.09%

NATURE OF REQUESTS FOR ASSISTANCE

Financial/Legal problems constitute 70.84% of all problems we are called about.

TYPE AND DISTRIBUTION OF FINANCIAL/LEGAL PROBLEMS

Farms have been foreclosed on	9.15%
Foreclosure probable	16.08%
Considering deeding back land or voluntary liquidation	5.62%
Tax liabilities (actual or anticipated)	6.41%
Bankruptcy filed	4.44%
Considering bankruptcy	12.81%
Problems because of a bank failure	5.23%
Credit cut off or refusal to renew notes	8.63%
Loan fraud	2.48%
Other	29.15%

FACTS REFERRALS

Kansas Cooperative Extension Service	40.76%
FACTS Legal Assistance	31.21%
Private Attorneys	7.33%
Other (e.g. Professional Tax Assistance, KS Attorney General, Lending Institutions, etc.)	20.70%

REPORT ON HOTLINE CALLS

January 16, 1986

Number of Requests for Assistance since 1 July 1985: 1700

PERSONAL DATA

Male Callers:	72.33%	Average Age:	49
Female Callers:	27.67%	Average Years Farming:	25

FARM DATA

Diversified Farms:	63.73%	Crop Only Farms:	23.75%
Agri-Businesses:	6.70%	Livestock Only Farms:	5.80%
Farms Operating with Owned Acreage Only: Average Owned Acreage - 927			51.11%
Farms Operating with Rented Acreage Only: Average Rented Acreage - 1102			7.84%
Farms Operating with Both Owned and Rented Acreage: Average Owned Acreage - 615 Average Rented Acreage - 813			41.05%

REQUESTS FOR ASSISTANCE BY AREA OF STATE

North East:	26.08%	North West:	18.66%
South Central:	26.41%	South West:	13.04%
South East:	15.81%		

FACTS STATISTICS

REVIEW

OF

1985 LEGISLATION

KANSAS STATE BOARD OF AGRICULTURE

REVIEW OF 1985 LEGISLATION

DIVISION OF INSPECTIONS

Dairy Function

In the past year and a half there have been major changes and adjustments in the dairy program. Contracts with local health departments have been discontinued; the grade A and manufacturing milk programs have been combined where one inspector, instead of two, checks the facilities; a plant specialist has been appointed to give more thorough services to plants; and the inspectors were keeping records of the producers and processors, these records were brought into the central office and are now kept there. This has facilitated more accurate records with a better accounting system; and a more aggressive inspection-enforcement philosophy has been incorporated. A major reduction in the budget has been adopted for a savings of over \$150,000 annually, which is 19 percent.

The dairy industry was monitored relative to how they felt the program was functioning. They were very supportive of the direction being taken. There have been some adjustments required, but overall, the industry is pleased with the program. The new direction of the dairy program is very positive and it is more effective, requiring fewer resources. It is felt this should continue. Getting into a data processing mode will enhance the program even more.

2001. Artificial Dairy Product Labeling.

There has not been a lot of activity on this legislation. Information letters are presently being sent to affected operations telling them of the requirements. They are being asked to be in compliance before July 1, 1986.

2471. Adulteration defined; survey officer duties transferred from Health and Environment to Board of Agriculture.

Having a definition for adulteration in the dairy law is helpful for enforcement purposes. This is working fine. The survey officer's duties have been transferred to the Board of Agriculture. A person has been certified to do the survey work. We are in the process of training a back-up person to be a survey officer.

165. Added solids to milk. To become effective when contiguous states pass similar legislation. Surrounding states have not passed a similar law at this time.

Control Function

287. Soil Amendment Act.

The amendment defines "Value and Usefulness" and

"Agricultural Crop Productions" opposed to "Horticultural Production."

It also gives the secretary the authority to require supportive data to substantiate value and usefulness in case no active ingredients are listed or no claims made for the soil amendment product.

There has been no adverse comment received by industry. It is the opinion of this office that the amendments are effective.

337. Authorizing the issuance of stop sale orders for the Feeding Stuffs Law, Livestock Remedy Law, Fertilizer Law, and Agricultural Chemical Act.

There has been favorable comment stating stop sales are the best means of correcting deviations from the requirements of the law. There has been no adverse comment received in this office.

The control section is using the stop sale authority provided by the amendments.

2002. A law concerning the sale and exchange of agricultural seed.

- (1) The language was revised to coincide with terminology used in other states and in the federal seed acts.

The seed industry favors these changes according to information received in this office. This office and the seed laboratory can communicate more effectively with other states and federal agencies, therefore, there appears to be no problems with this portion of the amendment.

- (2) The term was changed from "prohibited noxious weed seed" to "Noxious Weeds Seed" and Kudzu added to coincide with the Noxious Weed Law.

The term "Restricted Noxious Weed Seed" was changed to "Restricted Weed Seed."

The number of allowable "Restricted Weed Seed" per pound was reduced. Nine new weed seeds were added to the list.

The seed dealers indicated they support these changes and they can live with the allowable number of restricted weed seed. The amendment provides more protection for consumers and helps control the spread of unwanted weeds in Kansas.

There has been concern expressed that portions of the seed law were not clear and perhaps regulation updates could be considered. It was stated that it was their opinion the exemption (K.S.A.

2-1421 [c]) permitted most anyone to sell seed untested and unlabeled if it is free from noxious weed seed and is not a protected variety under the Federal Plant Variety Protection Act.

There have been objections to the Attorney General's opinion on advertising seed, indicating that it is not in accordance with the Federal General Counsel's opinion on advertising in the Federal Seed Act.

It is recommended that regulations be considered during the coming year to clarify the meaning and intent of the seed law.

Meat and Poultry Function

328. Buffalo Inspection.

The agency had been inspecting buffalo since FY '80 so there was no major change in procedures nor any impact on industry.

No major problems have been encountered. We may have to make a few adjustments in our law and the regulations in order to comply with a recently passed federal law dealing with buffalo inspection. One example is that federal requires a triangular mark of inspection on all buffalo products.

FY '85	211	Buffalo Slaughtered Under Inspection
FY '86 (to date)	200	Buffalo Slaughtered Under Inspection

Weights and Measures Function

2004. New Scale Program

Since July 1, 1985, 1,066 scales have been tested by the 27 licensed companies. During the same time, our three fieldmen have monitored 794 large capacity scales and the rejection rate is 23.5 percent or, in other words, 76.5 percent were correct. We are at a point where some legal action will have to be taken. We have 425 registered scale representatives in the small and large scale field. We have not been hindered in any way with the new scale program as we already had this program in progress. The only thing we have to do now is pick out in advance scales in each county to monitor. The first training schools were well received. We have been receiving some complaints from scale companies concerning annual requirements for laboratory calibration of their weights. Some have resented the charges for this service.

2003. New Meter Program.

The meter program has not progressed to a point of full evaluation. We have secured the laboratory standard. It will be necessary for us to assign personnel from other

functions to carry on full legislative intent. Since July 1, 1985, 26 meter companies have been licensed to do this work, and 80 people have registered. Two hundred and sixty-two meter reports have been received from the service companies.

2005. New Weights and Measures Law.

The new Weights and Measures Law does not have any problems as of this time. New regulations have been written and will be implemented May 1, 1986. This should take care of any discrepancies of the law. We feel this new legislation is working quite well.

DIVISION OF PLANT HEALTH

Pesticide Registration

330. Chemigation Safety Law.

This statute allowed the initiation of a safety law regarding the use of irrigation systems for distribution of chemicals in Kansas. We have conducted 27 meetings to explain the program. We have to date received 57 applications from chemigators. We anticipate 1,250 applications for this first fiscal year. We plan to increase our publicity during the winter and spring months by holding additional meetings and distributing news releases through our public information office. Attached is a handout we have been using during the meetings held throughout the state. We have recently encountered discussions relative to the misunderstanding of including fertilizers in the chemigation definition. This was defined in the bill to include fertilizers. During the discussions held with some 30 agencies, including irrigation associations, it was felt that irrigators who incurred the expense of equipping their facilities for the application of chemicals would use them not only for fertilizers but other applications as it became more economical. At the present time, it is more economical to apply chemicals through irrigation systems than aerial applicator method of distribution.

Pesticide Dealer Registration

2560. Pesticide Dealer Registration Program

This program was initiated to allow Kansas to have a state controlled program of administration of those individuals selling pesticides throughout the state. Previously there appeared to be no problem with EPA conducting this program; however, during the past 12 months, dealers in Kansas have been fined substantial amounts of money for allowing wives to transport restricted-use pesticides to their husbands who are in the field. In discussing this with EPA, it was felt necessary to establish a state program and thereby House Bill 2560 was originated and passed by the legislature in 1985.

During this initial year of implementation, we are estimating approximately 9,000 registrations. As of January 3, 1986, 545 registrations have been received for a total gross income of \$8,175. We are continuing to work through counties and channeling our contacts through extension service as well as the State Weed Association throughout the state of Kansas. We have encountered some difficulties in the area of convincing individuals of the new law and in the application to their particular business. Many do not recognize themselves as pesticide dealers even though they are selling pesticides on a daily basis. We do detect some growing reluctance to register due to the time of year. There are limited pesticide sales at this time and they will be required to renew on June 30, 1986. We will continue our efforts in publicity as well as using our continued contacts at the local and county level. Our division staff will continue to implement this program in the best possible way.

DIVISION OF WATER RESOURCES

2099. State Water Plan.

The statute provided for the adoption of the state water plan by legislative enactment. The statute now requires the Kansas Water Office, with the approval of the Kansas Water Authority, to submit annually to the legislature and the Governor an updated water plan. While this bill does not directly affect our agency, it resulted in the adoption of the current state water plan which contains many new policies that will impact on the Division of Water Resources if and when such policies are implemented through new legislation and/or funding measures.

2335. Minimum Desirable Streamflows.

This bill authorizes the Chief Engineer to withhold from appropriation any water deemed necessary to maintain minimum desirable streamflows. House Bill 2335 also established minimum desirable streamflow amounts for five streams in addition to the four streams for which minimum desirable streamflows were adopted by reference in 1984. Since adoption of these additional minimum desirable streamflow amounts, considerable work has taken place by the staff to prepare for the actual administration of such flows when such flows can not be met. This has included the review of a number of new applications for permit to appropriate water, analyze the interrelationship of groundwater and surface waters for several stream systems, and assessment of river conditions so as to prepare for future field activities. During 1985, no water users were required to regulate or stop pumping as a result of minimum desirable streamflow because of normal or above normal streamflows.

2578. Established a Multi-purpose small lakes program in Kansas.

While the primary responsibility of administration of this

act has been assigned to the State Conservation Commission as it relates to financial assistance for the construction of small lakes, several duties were assigned to the Division of Water Resources. the Chief Engineer would be required to review and approve a general plan for each new project to be funded by this program. In addition, the Division would participate in an interagency review of proposed projects and provide technical assistance to the State Conservation Commission. Thus far, activities to implement this statute are well underway and several applications have been received by the State Conservation Commission. The Division has, with input from the State Conservation Commission staff, completed guidelines for a general plan for such projects.

2618. Water Appropriation Act.

Amended several sections of the Water Appropriation Act related to the increase of fees for applications for permit to appropriate water, applications for changes to existing water rights, temporary permits, and established a new field inspection fee. All procedures have been completed to implement the collection of these new fees.

330. Chemigation Safety Law.

While primary administration of this legislation has been conducted by the Plant Health Division, the Division of Water Resources has assisted the Plant Health Division by providing them copies of all field inspection reports and other information deemed necessary to provide data on the existence of chemigation practices. Additional information has been gathered on equipment available that will meet the specifications adopted for check valves and related equipment so that this information may be made available to users.

I believe the necessary steps have been taken to the extent possible to implement the provisions of all 1985 legislation that affects the duties of the Division of Water Resources.

DIVISION OF PLANT HEALTH - KANSAS STATE BOARD OF AGRICULTURE

C H E M I G A T I O N

KANSAS CHEMIGATION SAFETY LAW

INFORMATION AND REQUIREMENTS

This leaflet sets forth some of the requirements of the Kansas Chemigation Safety Law and the regulations promulgated for its administration, as they pertain to chemigation under full compliance. Copies of the Law and Regulations are available upon request from the Division of Plant Health.

I. Qualifying for a Permit

WHO IS
REQUIRED TO
HAVE A
PERMIT?

1. A Chemigation User's Permit is required for all those who engage in chemigation. "Chemigation" means any process whereby pesticides, fertilizers, or other chemicals are added to irrigation water applied to land or crops, or both, through an irrigation distribution system.
2. On or before December 31, 1985, any user of the chemigation process shall register and obtain a Chemigation User's Permit before using the process. Any person chemigating on or after January 1, 1987 shall be in full compliance.

* * * *

HOW DOES
ONE QUALIFY
FOR A
PERMIT?

1. Be 18 years of age or older by January 1 of year of permit issue
2. Submit a completed application for Chemigation User's Permit
3. Submit a plan for using required anti-pollution devices
4. Submit a plan for handling tailwater or accumulations of water
5. Pay required fees: Application fee = \$50.00 per permit
6. Permits are only issued to individuals who own or operate the land on which chemigation is to be used. Only one permit may be issued to an individual. An individual having a chemigation user permit may supervise no more than 10 chemigation units (wells).

* * * *

PERMIT
EFFECTIVE
PERIOD,
PERMIT
RENEWAL

1. Full registrations submitted during 1986 shall be effective for 1987. A Chemigation User's Permit may be renewed each year upon making an application, payment of the application fee, and completing the report form providing information on each chemical used in chemigation the previous year.
2. The renewal report shall include:
 - a. The name and address of the permit holder.
 - b. The name and total quantity of each chemical applied by the chemigation process during the preceding year.
 - c. The total number of acres treated by means of chemigation.
3. The chemigation permit holder shall report immediately to the secretary all spills, accidents, system malfunctions, or other situations involving actual or potential contamination of either ground water or surface water.

* * * *

RECORDS AND
REPORTS

- a. The type of chemical used
 - b. The amount of active ingredient used
 - c. The date of use
 - d. The legal description of the location of the water supply or the point of diversion of the water supply
 - e. The EPA registration number of each pesticide applied.
2. Records required under this section shall be retained by the holder of the Chemigation User's Permit for a period of not less than two years from the date of application.

* * * *

REFERENCE

KEEP THIS LEAFLET FOR YOUR REFERENCE PURPOSES

* * * *

PREPARED BY

KANSAS STATE BOARD OF AGRICULTURE
Division of Plant Health
109 SW 9th Street
Topeka, Kansas 66612-1281
Telephone: (913) 296-2263

MANAGEMENT AND SUPERVISION ARE THE KEY FACTORS TO SUCCESSFUL CHEMIGATION!

1986 KEY LEGISLATIVE ISSUES

Moving to the last section of my presentation today, I would like to discuss what we believe to be the key legislative issues for the 1986 legislative session as regards our agency and agriculture in general.

First, we believe the meat and poultry inspection program faces a crossroads during this session. As we reviewed this program in previous legislative sessions, USDA appeared to be in a position to assume this responsibility without degradation in providing a wholesome meat product for the tables of Kansans. As I mentioned previously and as outlined in the letter attached to this testimony, this is not the case at this time. If the state of Kansas believes in wholesome products on its tables, then this is more than a budget issue. Federal authorities, as we mentioned before, appear to be reluctant to assume this and have pointed out degradation of programs in areas where they have assumed it in the past.

Of course, the key subject for discussion during this legislative session and an area that has received considerable publicity is the proposed reorganization of the Kansas State Board of Agriculture through an Executive Reorganization Order issued by the Governor. I will not use this morning as a campaign time but will merely point out to you the issues at stake and the significant decisions that need to be made as you review this very critical and important issue on behalf of the state of Kansas as well as agriculture.

Briefly, the Governor's proposal, as we know it, allows the current Board of Agriculture to remain in place but changes their title to a Kansas Agricultural Commission and places them in an advisory status to an appointed Secretary of Agriculture. The Governor would make this appointment. Also included in this proposal is the restructuring, to some degree, of the current Kansas State Board of Agriculture in its dual role as Board of State Fair Managers. Currently all twelve members plus myself serve as the Board of State Fair Managers. Under the proposal now being considered, only a portion of those members would be on a new State Fair Board supplemented by representatives from Kansas Chamber of Commerce and Industry as well as the Tourism Industry Association of Kansas. Those board members who are not appointed to the new State Fair Board would serve as ex-officio members. As this critical issue is reviewed, I would challenge all of us to identify the specific problems we desire to resolve and move toward a solution. Our board, as well as delegates at our recent annual agricultural convention (by a vote of 185 to 2), oppose any change of

selection procedure of either the board or the Secretary position. We do not oppose discussing the needs of agriculture in Kansas. We believe the critical issue that should be surfaced during these discussions revolves around the policy and planning for agriculture in the future. In the past, policy and planning for agriculture in the state of Kansas has been a joint and cooperative effort between many organizations and individuals throughout the entire state and the legislative and law-making process. Farm organizations have provided input on substantive issues. Legislators, as well as the Governor, have proposed specific courses of action to improve agriculture in Kansas. As we discuss this issue for the future, I think it is imperative that we identify: (1) if something else needs to be done differently, (2) what that is specifically, and (3) who should do it. Our board stands ready to assist in those discussions.



United States
Department of
Agriculture

Food Safety
and Inspection
Service

Washington, D. C.
20250

1985

Honorable Harland E. Priddle
Secretary, Kansas Board
of Agriculture
109 Southwest 9th Street
Topeka, KS 66612-1280

Dear Mr. Priddle:

Thank you for your December 11 letter about possible action to discontinue funding for your State meat and poultry inspection program. We are disappointed to learn that such action is being considered because of impending budgetary restrictions.

As you know, the U.S. Department of Agriculture (USDA) is legally obligated to act in the interests of assuring the wholesomeness of meat and poultry products when a State cannot continue its own program. Nevertheless, it has been our experience--and the experience of States whose inspection programs have been designated for Federal inspection--that such a step should not be taken lightly.

We are particularly concerned about the effects of a designation of the Kansas inspection program. For USDA, such an action could not happen at a worse time. Because of a funding level that is less than that necessary to support current employment, the Food Safety and Inspection Service (FSIS) has been forced to impose a freeze on permanent full-time employment. In addition, we have been compelled to take other cost-saving measures, such as reducing noninspection-related travel by one-third, suspending all nontechnical training, and reducing certain contracts. The Agency is looking for ways to make the most of its resources. For example, we may not be able to allow the expansion of inspection services to permit the operation of additional shifts or lines at existing plants. Such restrictions would particularly affect small plants. A State designation would severely strain the resources of the Agency and could have an immediate adverse effect on operations at State plants.

Beyond the problems faced by FSIS, however, any State considering giving up its inspection program should consider possible consequences for the affected plants and the people whose jobs might be threatened. Most of the meat and poultry plants under State supervision are small, family-owned operations. Usually, they have been in the family and the community for

several generations. The owners are accustomed to dealing with officials from the city, township, county, or State. The plant owners have known these officials and trusted them for years. The owners and the officials discuss deficiencies and agree on mutually acceptable corrective actions. The inspection program and actions to correct deficiencies are tailored to the operations conducted at the plant. Most plant owners feel more comfortable dealing with people from the State than with someone from the Federal program.

Because the Federal program is large, it necessarily must have several levels of supervision. This makes communication difficult at times and hinders the program's ability to respond to the needs and concerns of an individual plant owner. The regulations, procedures, and requirements for facilities, equipment, and labels must be uniformly applied to all plants regardless of size. It is not possible to structure an inspection program to an individual plant; personnel policies and union contracts hinder the Federal program's ability to adjust inspection personnel to meet the needs of individual plant owners.

To discontinue an effective State inspection system will cause disruption and confusion to plants operating in intrastate commerce. Plant owners will be faced with additional, one-time expenses, such as the cost of preparing and submitting blueprints to FSIS; the cost for Federal inspection brands and labeling materials; and costs caused by the uncertainty of operating schedules under Federal inspection, especially with current funding. Also, plant owners will face the inconvenience of undergoing Federal surveys of plant operations before conversion to Federal inspection.

From our experience with Federal designations, we have found that many State plant owners have felt compelled either to change the nature of their operations--from commercial to custom-exempt, for example--or to close down entirely. When Tennessee was designated in 1975, for instance, there were 109 official establishments under State jurisdiction and 82 conducting exempt operations. After designation, six of the official establishments converted to exempt operations. Before the State of Missouri was designated in 1972, there were 270 official establishments under State jurisdiction and 197 exempt--a total of 467; after designation, 249 of the State-inspected plants became official Federal establishments and 178 exempt plants were in operation--a total of 427. These changes have a negative effect on commerce in general. Valuable markets for livestock producers are lost and there is a dampening effect on competitive marketing.

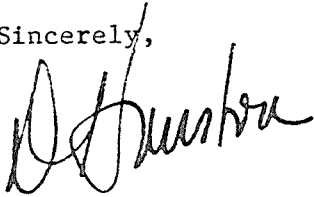
Before allowing the designation of a State program, it is important to keep in mind that all State employees working in meat and poultry inspection will not necessarily be hired by USDA. The history of previous designations shows that the number of Federal positions often is less than in the State program, and only a certain number of State employees is kept on.

In the case of the Tennessee designation, for example, the number of positions was reduced from 79 in the State program to 60 for the Federal program, and only 51 State employees were hired by USDA. In the Missouri designation, the number of positions was reduced from 130 to 115, and 109 State employees were hired by the Federal Government.

If a State is designated, inspection services provided within the State become subject to a different set of budgetary actions. Funding appropriated for State inspection programs is a line item and is kept separate from monies appropriated for the Federal program. Each state receives its fair share. When a State does not have a program, all plants within the State must compete for resources with the other 7500 Federal plants throughout the United States.

We hope the State of Kansas will carefully consider the consequences before making a decision to allow the designation of its meat and poultry inspection program. We believe that State and local authorities are in the best position to respond to the needs of their citizens in regulating the intrastate meat and poultry industry. If we can provide any other information or assistance that would help to resolve the matter, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Houston", written in a cursive style.

Donald L. Houston
Administrator