

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Allen at  
Chairperson

10:07 a.m./~~XX~~ on March 6, 1986 in room 423-S of the Capitol.

All members were present except: Senator Doyen (excused)

Committee staff present: Raney Gilliland, Legislative Research Department  
Arden Ensley, Revisors of Statutes Department  
Fred Carman, Revisors of Statutes Department (excused)

Conferees appearing before the committee: Jack Dillard, Case-Harvester Company  
Dale Amick, Western Retail Implement and  
Hardware Association  
Tony Franska, Kansas Farmers Union  
Bill Fuller, Kansas Farm Bureau  
Mary Harper, farm wife, Harper Valley Farms  
John Stitz, Catholic Rural Life

The Chairman called the Committee to order and called attention to Committee minutes.

Senator Arasmith made a motion the minutes of March 3 be approved. Senator Gordon seconded the motion. Motion carried.

The Chairman announced the Committee would be taking action on SB 544. He called on Jack Dillard to comment on the negotiations that had taken place between the manufacturers and the dealers of farm equipment.

Mr. Dillard gave copies of a balloon draft of SB 544 with amendments as agreed upon by both the manufacturers and the farm equipment dealers (attachment 1). Mr. Dillard explained that the most controversial section 6 had been stricken; in section 3 another clause had been added, that is "h"; lines 0098 through 0123 were deleted; deleted the words "order or" from line 0126. Mr. Dillard explained that the manufacturers did not feel new section 5 was necessary because of federal laws and courts but agreed with it because dealers desired it so that cases could be handled in a state court. Mr. Dillard expressed support for SB 544 as amended and requested favorable action by the Committee.

The Chairman thanked Mr. Dillard and ask Dale Amick to comment on the compromise.

Mr. Amick stated that because of talking together the manufacturers and the implement dealers have gained a better understanding of the problems both sides have during these times of the depressed agricultural economy. He expressed support of all dealers in Kansas who are members of the Western Retail Implement and Hardware Association wholeheartedly support this compromise. Mr. Amick stated he felt SB 544 provides for the pendulum of rights to swing back more to the center; that the bill will preserve competition and will help keep many dealers in business in Kansas. Mr. Amick requested passage of SB 544 as amended.

The Chairman thanked Mr. Amick and expressed appreciation for the two sides working together and together working out a compromise. The Chairman then called for Committee action on SB 544.

Senator Montgomery made a motion the Committee accept the amendments proposed for SB 544. Senator Gannon seconded the motion. Motion carried.

Senator Montgomery made a motion the Committee recommend SB 544 favorably for passage as amended. Senator Warren seconded the motion. Motion carried.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,  
room 423-S, Statehouse, at 10:07 a.m./~~p.m.~~ on March 6, 19 86

The Chairman turned the Committees' attention to SB 631. He ask the Committee members who are sponsors of the bill for comment.

Senator Karr stated the bill was drafted because of the feeling that states need to work together on agricultural policies. This bill is similar to the grain compact bill of 1979. Senator Karr said several states have considered legislation similar to this and especially in the state of Nebraska.

Senator Gannon stated this bill would create an arena where states could discuss mutual agricultural problems. He stated the subpoena power, that caused controversy the last time this kind of legislation was discussed, was not included in SB 631.

Senator Warren stated SB 631 is nearly the same as the last one concerning this same area; the main thrust of this bill is to allow several states getting together to work on agricultural problems instead of having to go to the federal level.

The Chairman called on Tony Franska to present the testimony of Ivan Wyatt.

Mr. Franska gave copies of Mr. Wyatt's testimony to the Committee members (attachment 2). Mr. Wyatt's testimony expresses support for SB 631. Also he requested the original lines of 150 through 171 be put back into the bill. He requested passage of SB 631.

In answer to a Committee question, staff answered that the lines removed had been lines that caused controversy the last time this legislation was considered.

The Chairman thanked Mr. Franska and called on Bill Fuller to testify.

Mr. Fuller expressed the need for expanding our agricultural markets and for regaining markets that we used to have both of which would help return some prosperity to agriculture. He encouraged review of programs already in place in our state, and questioned are our needs not being met within these organizations now and could current programs be expanded and is Kansas now providing adequate resources both in dollars and personnel to do the job with the programs we have. He also stated Kansas belongs to Mid-America International Agri-Trade Council and the Regional Multi-State Non-profit Corporation. Mr. Fuller said we do have problems and if these existing organizations cannot address our problems then maybe SB 631 offers another chance, but he questioned if a new organization could do any more than the organizations we already have. Mr. Fuller said if this proposed new organization has a goal of setting prices for grain then the Farm Bureau organization would be against the plan. Mr. Fuller stated if our problems cannot be addressed by the organizations that we already have that the price of \$50,000 for this proposed program is quite reasonable when we know that agriculture in our state deserves more funding than it at present receives.

The Chairman thanked Mr. Fuller and called on Mary Harper to testify.

Ms. Harper gave copies of her testimony to the Committee (attachment 3). Ms. Harper expressed support for SB 631 with the hope that control of production and marketing can be regained so as to help return solvency to our state. Ms. Harper stated she felt several states could work together better and stated the State Department should stay out of our marketing.

The Chairman thanked Ms. Harper and ask if anyone else that was present would like to testify.

John Stitz stated he felt this kind of proposed organization would be helpful for Kansas. He expressed support for SB 631.

The Chairman thanked Mr. Stitz and declared the hearing closed on SB 631.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,  
room 423 S, Statehouse, at 10:07 a.m. ~~11~~ on March 6, 1986.

The Chairman called the Committees' attention to SB 687. He stated that Kenneth Wilke, Francis Kastner, the Pharmacists Association and Raney Gilliland had met together and come to an agreement concerning SB 687. The Kansas Food Dealers Association has agreed to only a change being made in line 0152 of SB 687 as compared to amendments offered on March 4. The change being that the bill would become effective upon publication in the Kansas Register rather than publication in the statute book. The Chairman ask Ms. Kastner to comment on the agreement.

Ms. Kastner commented that she had learned that compromise was the way of the legislative process and at the meeting held regarding SB 687 the compromise had been to only change the effective date of the bill and that she agreed. With this change the dealers she represents who sell only general use pesticides will not have to pay registration fees for another year.

In response to Committee questions, Harland Priddle stated that registration of both general use pesticides and restricted pesticides would be best for complete records, and then in case of a recall, dealers are known and could be notified quickly of a recall. He stated he did not feel SB 687 was in the best interest of all and that EPA has been contacted and their feeling is that all should be registered, but they will not say anything if a state only registers restricted pesticide dealers.

The Chairman announced that the Committee would be meeting in a special meeting upon adjournment of the Senate the next day. He then adjourned the Committee at 11:02 a.m.



# SENATE BILL No. 544

By Committee on Agriculture

2-3

3/6/86 Sen. Ag. attachment 1

0017 AN ACT to regulate and govern business relations between  
0018 manufacturers of agricultural equipment and independent  
0019 retail dealers of those products.

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

0021 Section 1. ~~The legislature of this state finds that the retail~~  
0022 ~~distribution and sales of farm equipment to the farmer consumer~~  
0023 ~~through businesses which are independent from and not affili-~~  
0024 ~~ated with or controlled by the manufacturers of such products,~~  
0025 ~~benefits the economy of this state by providing services to the~~  
0026 ~~farmer which are superior to those which would be provided by~~  
0027 ~~manufacturer owned retail outlets and insuring that all manu-~~  
0028 ~~facturers of farm equipment will have access to retail outlets,~~  
0029 ~~thereby encouraging competition among manufacturers. The~~  
0030 ~~purpose of this act is to preserve these economic benefits to the~~  
0031 ~~agricultural economy of this state through regulation of the~~  
0032 ~~business relations between farm equipment manufacturers and~~  
0033 ~~farm equipment dealers.~~

The purpose of this act is to prevent arbitrary or abusive conduct and to preserve and enhance the reasonable expectations for success in the business of distributing farm equipment.

0034 Sec. 2. As used in this act:

0035 (a) "Farm equipment" means equipment including, but not  
0036 limited to, tractors, trailers, combines, tillage implements,  
0037 bailers and other equipment, including attachments and repair  
0038 parts therefor, used in planting, cultivating, irrigation, harvesting  
0039 and marketing of agricultural products, excluding self-propelled  
0040 machines designed primarily for the transportation of persons or  
0041 property on a street or highway.

0042 (b) "Farm equipment manufacturer" means any person,  
0043 partnership, corporation, association or other form of business  
0044 enterprise engaged in the manufacturing, assembly, wholesale,  
0045 sale or distribution of farm equipment, including any person,

or

0046 partnership or corporation which acts for or on behalf of such a  
0047 manufacturer, assembler, wholesaler or distributor in connection  
0048 with the sale of farm equipment.

0049 (c) "Farm equipment dealer" or "farm equipment dealer-  
0050 ship" means any person, partnership, corporation, association or  
0051 other form of business enterprise primarily engaged in the retail  
0052 sale or service of farm equipment under a dealership agreement.

0053 (d) "Dealership agreement" means a contract or agreement,  
0054 either expressed or implied, whether oral or written, between a  
0055 farm equipment manufacturer and a farm equipment dealer by  
0056 which the farm equipment dealer is granted the right to sell,  
0057 distribute or service the manufacturer's farm equipment regard-  
0058 less of whether the farm equipment carries a trade name, trade-  
0059 mark, service mark, logotype, advertising or other commercial  
0060 symbol, and in which there is a continuing commercial relation-  
0061 ship between the farm equipment manufacturer and the farm  
0062 equipment dealer.

0063 (e) "Continuing commercial relationship" means any rela-  
0064 tionship in which the farm equipment dealer has been granted  
0065 the right to sell or service farm equipment manufactured by the  
0066 farm equipment manufacturer for a period of three or more  
0067 consecutive months.

0068 Sec. 3. No farm equipment manufacturer, directly or through  
0069 any officer, agent or employee may terminate, cancel, fail to  
0070 renew or substantially change the competitive circumstances of a  
0071 dealership agreement without good cause. For the purposes of  
0072 this subsection, good cause means and includes the failure by a  
0073 farm equipment dealer to substantially comply with essential  
0074 and reasonable requirements imposed upon the dealer by the  
0075 dealership agreement, provided such requirements are not dif-  
0076 ferent from those requirements imposed on other similarly situ-  
0077 ated dealers either by their terms or in the manner of their  
0078 enforcement.

0079 (b) Except as otherwise provided in this section, a farm  
0080 equipment manufacturer shall provide a farm equipment dealer  
0081 at least ninety-days' prior written notice of termination, cancel-  
0082 lation or nonrenewal of the dealership agreement. The notice

(d) "Dealership agreement" means an oral or written agreement of definite or indefinite duration between a farm equipment manufacturer and a farm equipment dealer which provides for the rights and obligations of the parties with respect to the purchase or sale of farm equipment.

In addition, good cause shall exist whenever:

(a) The farm equipment dealer has transferred an interest in the farm equipment dealership with the manufacturer's consent, or there has been a withdrawal from the dealership of an individual proprietor, partner, major shareholder, or the manager of the dealership, or there has been a substantial reduction in interest of a partner or major stockholder without the consent of the manufacturer.

(b) The farm equipment dealer has filed a voluntary petition in bankruptcy or has had an involuntary petition in bankruptcy filed against it which has not been discharged within thirty (30) days after the filing, or there has been a closeout or sale of a substantial part of the dealer's assets related to the farm equipment business, or there has been a commencement or dissolution or liquidation of the dealer.

(c) There has been a change, without the prior written approval of the manufacturer, in the location of the dealer's principal place of business under the dealership agreement.

(d) The farm equipment dealer has defaulted under any chattel mortgage or other security agreement between the dealer and the farm equipment manufacturer, or there has been a revocation or discontinuance of any guarantee of the dealer's present or future obligations to the farm equipment manufacturer.

(e) The farm equipment dealer has failed to operate in the normal course of business for seven (7) consecutive days or has otherwise abandoned its business.

(f) The farm equipment dealer has pleaded guilty to or has been convicted of a felony affecting the relationship between the dealer and manufacturer.

(g) The dealer has engaged in conduct which is injurious or detrimental to the dealer's customers or to the public welfare.

(h) The farm equipment dealer has consistently failed to meet the manufacturer's requirements for reasonable market penetration based on the manufacturer's experience in other comparable marketing areas.

Sec. 4.

0083 shall state all reasons constituting good cause for termination,  
 0084 cancellation or nonrenewal and shall provide that the dealer has  
 0085 60 days in which to cure any claimed deficiency. If the defi-  
 0086 ciency is rectified within 60 days the notice shall be void. The  
 0087 notice and right to cure provisions under this section shall not  
 0088 apply if the reason for termination, cancellation or nonrenewal is  
 0089 for: ~~(1) Commission of a felony, reflecting upon the relationship~~  
 0090 ~~between the dealer and manufacturer; (2) insolvency; (3) the~~  
 0091 ~~occurrence of an assignment for the benefit of creditors; or (4)~~  
 0092 ~~bankruptcy of the farm equipment dealer. If the reason for~~  
 0093 ~~termination, cancellation or nonrenewal is nonpayment of sums~~  
 0094 ~~due the farm equipment manufacturer, the farm equipment~~  
 0095 ~~dealer shall be entitled to written notice of such default, and~~  
 0096 ~~shall have 10 days from the date of delivery of notice in which to~~  
 0097 ~~remedy the default from the date of delivery of the notice.~~

any reason set forth in subsections (a) through ~~(g)~~<sup>(h)</sup> of section 3

0098 ~~(c) - It is a violation of this act for any farm equipment dealer to~~  
 0099 ~~transfer, assign or sell any interest in a farm equipment dealer-~~  
 0100 ~~ship agreement evidenced by a writing to another person, unless~~  
 0101 ~~the farm equipment dealer shall first notify any farm equipment~~  
 0102 ~~manufacturer who is a party to such written dealership agree-~~  
 0103 ~~ment of such intention by written notice, sent certified mail,~~  
 0104 ~~stating in the notice of intent: the prospective transferee's name,~~  
 0105 ~~address, statement of financial qualification and business expe-~~  
 0106 ~~rience during the previous five years. The farm equipment~~  
 0107 ~~manufacturer shall, within 120 days after receipt of such notice,~~  
 0108 ~~either approve in writing to the farm equipment dealer such sale~~  
 0109 ~~to the proposed transferee or, by written notice, advise the farm~~  
 0110 ~~equipment dealer of the unacceptability of the proposed trans-~~  
 0111 ~~ferree, stating material reasons relating to the character, financial~~  
 0112 ~~ability or business experience of the proposed transferee, taking~~  
 0113 ~~into consideration the interest to be acquired by the transferee.~~  
 0114 ~~No farm equipment manufacturer shall refuse to accept the~~  
 0115 ~~prospective transferee unless such refusal is based on reason-~~  
 0116 ~~able, material grounds relating to the character, financial ability~~  
 0117 ~~or business experience of the proposed transferee. If the farm~~  
 0118 ~~equipment manufacturer does not reply within the specified 120~~  
 0119 ~~days, approval shall be deemed to be granted. No transfer,~~



0120 ~~assignment or sale of a majority interest in a farm equipment~~  
0121 ~~dealership or dealership agreement shall be valid unless the~~  
0122 ~~transferee agrees in writing to comply with all the requirements~~  
0123 ~~of the dealership agreement then in effect.~~

0124 Sec. 4. (a) It is a violation of this act for a farm equipment  
0125 manufacturer to coerce, or attempt to coerce, any farm equip-  
0126 ment dealer to ~~order or~~ accept delivery of any farm equipment,  
0127 parts or accessories therefor, which the farm equipment dealer  
0128 has not voluntarily ordered.

5.

0129 (b) It is a violation of this act for a farm equipment manufac-  
0130 turer: (1) To condition, or attempt to condition, the sale of any  
0131 farm equipment <sup>or</sup> a requirement that the farm equipment dealer  
0132 also purchase other goods or services; except that nothing herein  
0133 shall prohibit a farm equipment manufacturer from requiring the  
0134 dealer to purchase all parts reasonably necessary to maintain the  
0135 quality of operation in the field of any farm equipment used in  
0136 such dealer's trade area; (2) to coerce or attempt to coerce any  
0137 farm equipment dealer into a refusal to purchase the farm  
0138 equipment manufactured by another farm equipment manufac-  
0139 turer; or (3) to discriminate in the prices charged for farm equip-  
0140 ment of like grade and quality sold by the farm equipment  
0141 manufacturer to similarly situated farm equipment dealers, ex-  
0142 cept that nothing herein shall prevent differentials which make  
0143 only due allowance for differences in the cost of manufacture,  
0144 sale or delivery resulting from the differing methods or quanti-  
0145 ties in which such farm equipment is sold or delivered, by the  
0146 farm equipment manufacturer.

0147 Sec. 5. Any term of a dealership agreement, either expressed  
0148 or implied, which is inconsistent with the terms of this act shall  
0149 be void and unenforceable and shall not waive any rights which  
0150 are provided to any person by this act.

6.

0151 ~~Sec. 6. -- From and after the effective date of this act, no farm~~  
0152 ~~equipment manufacturer shall open a retail farm equipment~~  
0153 ~~dealership in this state and operate it with company personnel,~~  
0154 ~~employees, a subsidiary company, commissioned agent or under~~  
0155 ~~a contract with any person, firm or corporation managing a farm~~  
0156 ~~equipment dealership on a fee arrangement with the farm~~



0157 ~~equipment manufacturer. The farm equipment dealership shall~~  
0158 ~~be operated by an independent farm equipment dealer who is~~  
0159 ~~neither affiliated with, dominated or controlled by the farm~~  
0160 ~~equipment manufacturer. Notwithstanding the preceding provi-~~  
0161 ~~sions of this section:~~

0162 ~~(a) - A farm equipment manufacturer who currently operates a~~  
0163 ~~retail farm equipment dealership in this state with company~~  
0164 ~~personnel, employees, a subsidiary company, commissioned~~  
0165 ~~agent, or under a contract with any person, firm or corporation~~  
0166 ~~managing a store on a fee arrangement with the farm equipment~~  
0167 ~~manufacturer may continue to operate such business until July 1,~~  
0168 ~~1988.~~

0169 ~~(b) - An equipment manufacturer or affiliate may own, manage~~  
0170 ~~or operate an equipment dealership for a term not to exceed 18~~  
0171 ~~months after the lawful termination or cancellation of a farm~~  
0172 ~~equipment dealership pursuant to the terms of this act.~~

0173 ~~(c) - An equipment manufacturer may participate in the own-~~  
0174 ~~ership, management or operation of an equipment dealership~~  
0175 ~~under a written agreement with an independent equipment~~  
0176 ~~dealer if, under such an agreement, the independent equipment~~  
0177 ~~dealer has made a significant investment in such equipment~~  
0178 ~~dealership and has the right to acquire full ownership, manage-~~  
0179 ~~ment and operation of such equipment dealership upon satisfac-~~  
0180 ~~tion of reasonable terms and conditions.~~

0181 ~~(d) - A farm equipment manufacturer may own and operate a~~  
0182 ~~retail farm equipment dealership in any trade area for such time~~  
0183 ~~period as such manufacturer cannot find an independent farm~~  
0184 ~~equipment dealer to own and operate a retail farm equipment~~  
0185 ~~dealership to represent such manufacturer.~~

0186 Sec. 7. If any farm equipment manufacturer violates any  
0187 provision of this act, a farm equipment dealer may bring an  
0188 action against such manufacturer in any court of competent  
0189 jurisdiction for damages sustained by the dealer as a conse-  
0190 quence of the manufacturer's violation, together with the actual  
0191 costs of the action, including reasonable attorney fees, and the  
0192 dealer also may be granted injunctive relief against unlawful  
0193 termination, cancellation, nonrenewal or substantial change of

0194 competitive circumstances. The remedies set forth in this section  
0195 shall not be deemed exclusive and shall be in addition to any  
0196 other remedies permitted by law. ~~The attorney general is also~~  
0197 ~~empowered to enforce compliance with this act by institution of~~  
0198 ~~a civil suit for injunctive relief.~~

including proceedings under the Kansas Consumer Protection Act.

0199 Sec. 8. This act may be cited as the Kansas agricultural  
0200 equipment dealership act.

0201 Sec. 9. This act shall take effect and be in force from and  
0202 after its publication in the statute book.

STATEMENT

OF

IVAN W. WYATT, PRESIDENT  
KANSAS FARMERS UNION

BEFORE

THE SENATE COMMITTEE ON AGRICULTURE

ON

SB-631

(INTERSTATE COMPACT ON AGRICULTURAL GRAIN MARKETING)

MARCH 6, 1986

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

WE RISE IN SUPPORT OF SB-631.

IN 1978, KANSAS INITIATED THE IDEA OF A MULTI-STATE COMPACT, BECAUSE OF PROBLEMS FACING MIDWEST FARMERS IN THE AREAS OF INTERNATIONAL GRAIN MARKETING.

ON DECEMBER 18, 1978, LEGISLATORS FROM SOME 15 STATES MET IN THE STATE'S CAPITOL TO DRAFT LANGUAGE FOR AN INTERSTATE COMPACT.

HOWEVER, IT WOULD NOT BE UNTIL APRIL 19, 1979, THAT THE COMPACT WOULD BE SIGNED INTO LAW.

WHAT WE THOUGHT WERE BAD TIMES THEN HAVE TURNED OUT TO BE THE "GOOD OLD DAYS".

DURING THE GOOD OLD DAYS OF THE LATE 1970'S, WE WEREN'T HEARING WORDS OF "FORECLOSURE", "BANKRUPTCY", VOLUNTARY CONVEYANCE", "BANK FAILURES", ETC. NOW DAYS THESE WORDS ARE COMMON PLACE.

SINCE EARLY IN 1981 WE'VE SEEN THE PRICE OF WHEAT GO FROM ABOUT \$4.40 PER BUSHEL IN WICHITA TO \$2.93 (2-26-86).

IT IS OBVIOUS THERE IS SERIOUS TROUBLE NOT JUST IN KANSAS, BUT IN THE BREAD BASKET OF THIS NATION.

AS WE'VE HEARD DURING RECENT DEBATE THIS SESSION OF THE LEGISLATURE, THERE ISN'T TOO MUCH THE STATE OF KANSAS ACTING ALONE CAN DO TO RECTIFY MANY OF THESE PROBLEMS.

- more -

3/06/86 Sen. Ag.  
attachment 2

SB-631 SETS THE STAGE FOR THE BEGINNING OF A MULTI-STATE EFFORT TO ADDRESS SOME OF THESE PROBLEMS FACING THE AGRICULTURAL COMMUNITY.

IN THIS COMMITTEE LAST WEEK WE HEARD THE PRESIDENT OF THE STATE BOARD OF AGRICULTURE SAY THE BOARD DOES NOT HAVE THE AUTHORITY TO DEAL WITH THIS CRISIS, BUT HE CONTINUED, SAYING AT THE STATE LEVEL WE CAN'T DO ANYTHING -- UNLESS THE STATES WORK TOGETHER.

IN LINES 145 THROUGH 149, PAGE 4 OF THIS BILL THE STAGE IS SET.

THIS EFFORT TO FORM A MULTI-STAGE COMPACT SHOULD HAVE BROAD, NON-PARTISIAN SUPPORT.

THE INITIATION THIS TIME FOR A COMPACT HAS COME NOT FROM KANSAS, BUT HAS COME ABOUT BY THE EFFORTS OF A REPUBLICAN WHEAT FARMER, SENATOR LOREN SCHMIDT OF NEBRASKA.

WE WOULD RAISE THE QUESTION OF THE REASONING FOR STRIKING ALL OF SECTION C OF THE ORIGINAL BILL BEGINNING ON PAGE 4.

A SIMILAR BILL ON THE HOUSE SIDE, HB-2915, RETAINS THIS LANGUAGE.

IN 1979, THE KANSAS LEGISLATURE PLACED THIS LANGUAGE IN THE ORIGINAL COMPACT BY A 67 TO 57 VOTE WITH 6 MEMBERS NOT VOTING ON THE HOUSE SIDE, AND BY A 24 TO 14 VOTE ON THE SENATE FLOOR.

SINCE THAT TIME WE HAVE HEARD GROWING COMPLAINTS FROM FOREIGN CASH BUYERS OF OUR GRAIN COMPLAIN OF HIGH AMOUNTS OF NON-MILLABLE PORTION OF WHEAT SHIPMENTS FROM THE U.S. THAT COST THEM FROM \$9.00 TO \$19.00 PER TON SHIPPING COSTS.

FOR SEVERAL YEARS WE'VE HEARD TALK OF THIS PROBLEM, AND ALL WE HAVE GOTTEN BACK IS "BUCK PASSING" BY THE GRAIN TRADE BACK TO THE FARMER AND LOCAL ELEVATOR OPERATOR.

SB-631  
3-6-86  
PG. 3

A 1984 WHEAT QUALITY STUDY BY THE STATE BOARD OF AGRICULTURE AND THE WHEAT COMMISSION SHOWS THE PERCENTAGE OF FOREIGN MATERIAL IN KANSAS WHEAT LEAVING KANSAS WITH ONLY ONE-TENTH OF ONE-PERCENT.

HERE WE HAVE PROOF OF SAMPLES TAKEN FROM RAIL CARS ARRIVING AT TERMINAL MARKETS FROM KANSAS ELEVATORS IN EXCELLENT SHAPE, YET ARRIVING AT FOREIGN PORTS WITH HIGH AMOUNTS OF UNMILLABLE FOREIGN MATERIAL.

THESE TWO AGENCIES HAVE ALREADY IDENTIFIED A PROBLEM COSTLY NOT ONLY TO THE KANSAS WHEAT FARMER AND THE KANSAS ECONOMY, BUT ALL AMERICAN WHEAT PRODUCERS.

I THINK IT IS TIME THE LEGISLATURE DEALS WITH THIS PROBLEM OF FOREIGN MATERIAL ENTERING OUR GRAIN SOMEWHERE BETWEEN THE KANSAS BORDER AND THE FOREIGN PORTS OF ENTRY.

WE KNOW FROM PAST EXPERIENCE ANSWERS TO THIS QUESTION WILL NOT COME FORTH VOLUNTARILY, THEREFORE, WE WOULD URGE THE MEMBERS OF THIS AGRICULTURAL COMMITTEE TO RESTORE LINES 150 THRU 171 TO SENATE BILL 631.

THANK YOU

March 6, 198

I am Mary Harper and I come in support of SB 631. Our family farm produces wheat, one of the most important food and feed grains.

I feel this would help open and maintain an avenue of communication with other grain producers. We have been told that other states wish to cooperate in this and, if so, all the grain states would investigate all possibilities of grain marketing and uses.

I believe if all grain producing states made a concerted effort to develop, investigate and regulate our business we surely would benefit.

I have long believed that there are many outside entities who have far more control and influence over our grains than we producers, and believe a thorough investigation of our markets and marketing would benefit us all.

I believe our grain, as soon as we have to sell, is used to control international markets and agreements over which we producers have no control. Perhaps if a commission of grain states investigated and promoted grain uses, and looked into the possibility of intrigue by multinational marketers we could regain some control. We certainly believe we must control our production and marketing if we are to regain any sort of solvency in our state.

Thank you.

3-6-86 Sen. Ag.  
attachment 3