

Approved April 26, 1986
Date

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Allen at
Chairperson

10:42 a.m. ~~XXX~~ on April 24, 1986 in room 423-S of the Capitol.

All members were present except: Senator Montgomery (excused)
Senator Kerr (excused)
Senator Warren (excused)

Committee staff present: Raney Gilliland, Legislative Research Department

Conferees appearing before the committee: Mike Johnson, Kansas State University
Mary Harper, Healy, Kansas

Senator Allen called the Committee to order and announced the meeting was called for a hearing on HB 3080. He then called on Mike Johnson to testify.

Mr. Johnson explained that HB 3080 provides Kansas State permission to join the Tribune and the Garden City agricultural experiment stations so that the operation and administration of both can be under one administration and that the new name would be the Southwest Kansas Agricultural Experiment Station. Mr. Johnson stated the personnel at the stations and also legislators representing those areas have no objections to this plan of combining the two stations administratively.

During Committee discussion Mr. Johnson explained the two stations would be continuing to operate in their present locations. He explained there would be a reduction of one senior scientist but that there would be no cost savings immediately. The Committee suggested to Mr. Johnson that when the reorganization is complete and when the new President of the University is on the job that meetings be held for the purpose of study and making plans concerning the time when the lease on the land at Garden City will expire in approximately 19 years.

The Chairman thanked Mr. Johnson and called for Committee action on HB 3080.

Senator Karr made a motion the Committee recommend HB 3080 favorable for passage. Senator Gannon seconded the motion. Motion carried.

The Chairman called on Mary Harper for comments she wished to make.

Ms. Harper explained that she had a copy of a letter written by a farmer experiencing foreclosure at this time. She explained the letter expressed the feelings and frustrations of many Kansas farmers (attachment 1).

The Chairman asked the Committee for suggestions of topics to be requested for summer interim studies. The Chairman explained that pesticide issues would be one recommendation.

The Committee, after discussing problems concerning farmers experiencing foreclosure, suggested the Committee request an overall study for possible assistance the state could provide to farmers. It was suggested maybe some assistance could be planned that would help alleviate some of the harrassment that farmers in foreclosure are receiving and that from such a study maybe some helpful legislation would be suggested so that the Legislature would not be in a position to be acting as a referee between the agricultural and the financial interests.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,
room 423-S, Statehouse, at 10:42 a.m. ~~XXX~~ on April 24, 1986

Senator Arasmith made a motion the Committee request a study to concern farm issues to determine if there is any legislative action that would give assistance to farmers going through foreclosure in Kansas. Senator Karr seconded the motion. Motion carried.

Another Committee suggestion was made that studies continue to learn about experiment stations not included in the study last summer; also that the summer committee tour the stations of the southeastern part of the state. It was stated that if needs at the experiment stations, as seen by the Committee last summer, had not been funded that requests for funding those needs should be resubmitted in the next budget. It was also stated that helping the experiment stations in turn helps the farmers in our state. Committee discussion included the need for the new President of Kansas State to be informed of the need to request adequate funds for the needs of the experiment stations in the budget Kansas State presents to the Regents. It was requested that the Chairman write a letter to the President at Kansas State requesting the Kansas State budget reflect total needs of our experiment stations and that the University include the experiment station budgets be entered at the top of the University budget instead of at the bottom.

The Chairman thanked Committee members for their attendance and work with the legislation considered by this Committee during this Legislative Session and then adjourned the Committee at 11:06 a.m.

April 23, 1986

Sen committee

Dear Legislator,

We are writing to you to express our concern that the Kansas Legislature has not passed any legislation to bring economic relief to the farmer. We are farmers in the midst of foreclosure with Federal Land Bank. For the past 2½ years we have been attempting to negotiate with Land Bank, and to date, still have nothing settled.

Perhaps you haven't had a landslide of mail telling you of individual farmer's plights, but we feel there may be an explanation for this. We farm families have grown up with a couple of basic philosophies. First of all, we believed if you were honest and worked hard, you would make it. Today, there are a lot of honest, hard-working farmers going out of business due to poor market prices, deflated land and machinery values, and high interest rates.

Secondly, we believed that those people who didn't pay their bills were "the scum of the earth." Today, many of us find ourselves in this category as our farm income is mortgaged and doesn't meet farm expenses. As net worth decreases, so

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attachment 1

do: self-worth in many instances. We see fellow farmers become withdrawn and isolated as serious mental depression sets in while they watch a lifetime of hard work go down the tubes. We take on 2-3 other jobs just to meet family living expenses, come home from those jobs and spend our evenings doing farm paperwork, leaving very little energy for writing our legislators and making our voices count.

Our local bank has worked very hard with us personally by lowering our interest rate 3% and helping us with our financial decisions. Federal Land Bank spent the first year we were in default harrassing us with phone calls every hour of the day and evening. They would call early morning or late at night wanting to know what "our plan" was going to be. At that time, our first experience at being in default caused us to be so upset that just having the ability to sort out our problems and come up with a rational solution was beyond our capabilities. That winter was probably the worst winter of our lives as we struggled alone, not wanting anyone in our family or community to know we were experiencing such difficulties. We finally solicited the help of an attorney and began the negotiating process because we felt we could not

do this ourselves. A year ago, we believed we had reached agreement only to find that when we went to make the agreed-upon "half-payment," Land Bank wanted 2 years payments — \$30,000 which we certainly didn't have to prevent them from filing foreclosure. Our local bank then refused to forward any money to them from our operating line of credit (we concurred with this decision) and Land Bank raised our interest again to 15 $\frac{3}{4}$ %.

In October of 1985, on a Saturday evening at 11:30pm, a sheriff's officer rang our doorbell. As we jumped out of bed, looked out the window, and saw a police car, we immediately thought a loved one had been killed, but answered the door to receive our foreclosure notice.

Over the past few months, our efforts at reaching a reasonable agreement, including deeding back our land, have met with only further demands from Federal Land Bank. We have watched farmer after farmer forced from his land only to see a stranger come in and buy back the land for half what the farmer had it mortgaged. We feel this is a tremendous injustice and something must be done to right the wrongs that are going on across our heartland today.

Our farm is the one the wife grew up on. It has been farmed by her family for 3 generations. We had hopes of passing it on to our children. Five years ago, the original farm house burned and we built a new house with our names etched in its cornerstone. Never in our wildest dreams did we foresee lying awake at night wondering where we would be living 6 months from now. That kind of insecurity and fear is foreign to those of us who have grown up on the family farm.

It seems that the persons in power in the Wichita Land Bank office don't realize the impact their decisions have on families. As families leave the farm, they will leave Kansas, too. As a state, we need to realize that our people are our most valuable resource.

If small rural communities in Kansas are going to survive, something must be done to keep the small family farm in business. We ask for your support in passing SB's 544, 696 and 347 as well as HB's 2996 and 2691 — and allowing us to remain on the land we so dearly love.

Sincerely,
Bill and Sharon Levendofsky & Family
Rt. 1 Delphos, Kansas 67436