

Approved March 2, 1987

Date

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Montgomery at
Vice-Chairperson

10:08 a.m. ~~XXX~~ on February 26, 1987 in room 423-S of the Capitol.

All members were present except: Senator Allen (excused)
Senator Doyen (excused)

Committee staff present: Raney Gilliland, Legislative Research Department
Jill Wolters, Revisor of Statutes Department

Conferees appearing before the committee: Sam Brownback, Secretary of State Board of
Agriculture
Harland Priddle, Secretary of Commerce
Paul Fleenor, Kansas Farm Bureau
Adrian Polansky, Kansas Wheat Commission
Howard Tice, Kansas Association of Wheat Growers

Senator Montgomery, Vice-Chairman, called the Committee to order and called for action on Committee minutes.

Senator Arasmith made a motion the minutes of February 24 and 25 be approved. Senator Gannon seconded the motion. Motion carried.

The Vice-Chairman called attention to SB 209 and called on Sam Brownback to testify.

Mr. Brownback gave copies of his testimony to the Committee (attachment 1) and then expressed support for SB 209. He stated he believed the Marketing Division should be in the State Board of Agriculture and not in the Department of Commerce as he feels that international marketing is divided by products not by function. Mr. Brownback stated he is concerned for ag marketing after agricultural minded Harland Priddle and Governor Hayden are no longer in office. He stressed that the Board of Agriculture will always be interested in the agricultural interests of Kansas; he pledged to work with the Department of Commerce for the best agricultural interests of Kansas. He told the Committee they must decide where Marketing will be and encouraged them to work for the division to remain at the State Board of Agriculture.

During Committee discussion Mr. Brownback answered that one full time and one half-time employee had already been moved from the Marketing Division to the Department of Commerce.

The Vice-Chairman thanked Mr. Brownback and called on Harland Priddle to testify.

Mr. Priddle stated the purpose of the Commerce Department was to have a central, single point of management for promoting international marketing. He stressed that efforts are to coordinate all parts of the marketing program with other departments involved in the same area of concern. He reminded the Committee that legislation passed last year provided that all management for international marketing promotion be from one point.

During Committee discussion it was stressed that the sponsors of SB 209 are concerned about the promotion of agriculture for Kansas after Harland Priddle is no longer in the Commerce Department. It was stressed that the sponsors felt that an agency that understands agriculture in Kansas will in the long run be better at promoting the marketing of Kansas agriculture. Mr. Priddle explained that the Department of Commerce will

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,
room 423-S, Statehouse, at 10:08 a.m. ~~p.m.~~ on February 26, 1987

receive no funds from Grain Commissions.

The Vice-Chairman thanked Mr. Priddle and called on Paul Fleenor to testify.

Mr. Fleenor gave copies of his testimony to the Committee (attachment 2) and then expressed support for SB 209. Mr. Fleenor stressed that marketing activities of agriculture belong in the State Board of Agriculture. He also stressed that there should be a limit on the Commissions' monies that go to the State General Fund. He reminded the Committee that federally the international marketing programs for agriculture are within the Agriculture Department not the Commerce Department. He encouraged the Committee to vote to leave product promotion for agriculture in the State Board of Agriculture.

Senator Montgomery thanked Mr. Fleenor and welcomed Adrian Polansky to testify.

Mr. Polansky gave copies of his testimony to the Committee (attachment 3) and then expressed support for SB 209. Mr. Polansky recommended an amendment for the wheat act that would repeal the section concerning the money that goes to the General Fund. He also recommended that the Kansas Wheat Commission be allowed to keep the interest generated on its idle funds. Mr. Polansky suggested the state bill the Wheat Commission once a year for administrative expenses.

The Vice-Chairman thanked Mr. Polansky and called on Howard Tice to testify.

Mr. Tice handed copies of his testimony to the Committee (attachment 4) and expressed support for SB 209. Mr. Tice expressed support for leaving all agricultural international marketing programs in the State Board of Agriculture and encouraged the Committee to make no changes that will weaken the State Board of Agriculture. He stated that changes that look good now may not be good when Harland Priddle is no longer Secretary of Commerce and Governor Hayden is no longer Governor. Mr. Tice suggested a subcommittee be appointed to study the issue of the distribution of the check-off funds of the Wheat Commission; he encouraged a change so that less of the funds go to the State General Fund. Mr. Tice encouraged the Committee recommend that the Marketing Division remain in the State Board of Agriculture.

In answer to a Committee question Mr. Polansky answered he felt that the Wheat Commission idle funds generate annually about \$50,000.

Senator Montgomery announced that the Committee agenda would be revised and that the hearing for SB 344 and SB 345 would be held on March 5; he then adjourned the Committee at 10:58 a.m.

GUEST LIST

COMMITTEE: SENATE AGRICULTURE

DATE: February 26, 1987

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Paul E. Fleener	Manhattan	Kansas Farm Bureau
HARLAND E. PRIDDLE	TOPEKA	Dept. of Commerce
David Barclay	"	" "
BILL FULLER	Manhattan	Kansas Farm Bureau
Carole Jordan	Topeka	KSBA
Joe Lieber	Topeka	HS Co-op Council
G Swenson	✓	KSBA
Steven Graham	Manhattan	KS Wheat Comm.
Adrian J. Potansky	Belleville	KS Wheat Comm.
Clair D. Miles	Hwy 2, Lebo	KS Soybean Comm.
Bill Wiley	St. Lyndon	KS Soybean Assn.
JEFF CASTEN	RR1 Quenemo	KS Grain Sorg. Prod. Assn.
Lowell Burchett	manhattan	KS Coop Sorg Assn.
Kelly Perry	TOPEKA	WTBW
Freeman Biery	Topeka	
Howard W. [unclear]	Hutchinson	KAWG
DEL E. WIEDEMAN	WAKEENEY	KAWG
Floyd Renken	Downs	Farmer
Willbur Leonard	Topeka	Comm KS Farm Org.
John Blythe	Manhattan	Kansas Farm Bureau
Tom [unclear]	Topeka	KSBOA

Full
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2-26-87

TESTIMONY TO SENATE COMMITTEE ON AGRICULTURE

SENATE BILL 209

by

SAM BROWNBACK

KANSAS SECRETARY OF AGRICULTURE

February 26, 1987

*attachment 1
Senate agriculture
2-26-87*

Mr. Chairman and Committee members, the Board of Agriculture appears here today by and through Sam Brownback, Kansas Secretary of Agriculture in support of Senate Bill 209.

The Board is delighted that so many people would sponsor a bill aimed at beefing up the international section of the Board of Agriculture's marketing division. The marketing division deserves this beefing up. International markets are critical to agriculture. In Kansas, the generally accepted figure is that one out of every three acres of crop production finds their way into the international marketplace. Without international markets and an aggressive program to promote international agricultural markets the farm economy and indeed the entire economy of the state of Kansas would be severely injured.

Presently, the state of Kansas is getting an excellent international agriculture marketing program in the Board of Agriculture with a lean and mean staff. Two and one-half people work with international marketing at the Board of Agriculture. They are assisted by other individuals in the marketing division on special projects, but we only have two and one-half FTE's working in the international marketing arena. Yet, with that slim investment there were documented first-time new sales of agricultural commodities in the international marketplace due to efforts of the Board of Agriculture of over 5 million dollars. This does not include the Taiwan Procurement Mission which regularly opens bids in the Senate Chambers. Only \$141,747 is actually allocated specifically for international marketing at the Board of Agriculture. With the amount of first-time sales that we can document and the amount of money that is budgeted for international marketing at the Board of Agriculture, there is a return on your state investment of over \$35 dollars for every \$1 invested in international marketing at the Board of Agriculture! The Board has been extremely successful in international ag marketing. This is due to a teamwork concept where everyone in the marketing division at the Board of Agriculture will work on these projects together along with numerous industry participants such as people from the meats and grains organizations and the general farm organizations to gang tackle major projects. Couple this with assistance from national groups such as the national grains and meats associations along with assistance from the U.S. Department of Agriculture, Mid-America Agriculture Trade organizations and others, and the teamwork produces these types of spectacular results.

However, we could do more and we could do better. With additional funding, we could do better work in this international marketing arena that is so critical and important to the economy of the state of Kansas. That is why we wholeheartedly support Senate Bill 209 and further request a statement by this Committee in letter form, if possible, supporting the retention of international agricultural trade functions at the Board of Agriculture. Presently, it is proposed that all of international trade, including that being done at the Board of Agriculture be moved to the new Department of Commerce. In the Governor's proposed budget concerning the Board of Agriculture, there is a transfer of all of international marketing functions from the Board of Agriculture to the new Department of Commerce. I have stated directly to the Governor that we at the Board of Agriculture disagree

with the movement of the international agriculture marketing functions to the new Department of Commerce. We feel there are a number of sound reasons as to why this function should remain at the Board of Agriculture.

First, we are good at it and we know the business. If the Board of Agriculture had not been successful with international ag marketing then, I could see some reason to moving it to a new agency that perhaps could put new ideas with it, new energy and do more. However, the opposite is true. We have been extremely successful with international ag marketing. Certainly the age old adage applies here, "if it ain't broke, don't fix it".

Secondly, international marketing is properly divided along product line rather than on function line. This is to say that people who sell agricultural products should remain with and deal with those involved in agriculture and be specific because their buyers are specific. The same buyer does not purchase shoe polish, airplane parts and agricultural goods. There are agricultural buyers, there are airplane buyers, but seldom are the two the same person. Furthermore, on the national level, and in other states, agricultural trade is not consolidated with other trade divisions. Of the 46 states in the United States that have departments of agriculture, 40 of them have a marketing division. It's not in Commerce in those other states. On the national level, the Department of Commerce does not handle international agricultural trade, USDA does. This whole point was most appropriately discussed and put forth by my predecessor in testimony to the House Ways and Means Committee on March 26, 1986 when then Secretary of Agriculture, Harland Priddle stated the following:

"Agricultural trade is not consolidated at the national level in Department of Commerce and we believe it should be retained separate at the state level. The United States Department of Agriculture with its Foreign Agricultural Service has a direct link into every embassy of the United States throughout the world. This dedicated agricultural channel is maintained with states. With the establishment of agricultural international trade within a Department of Commerce at the state level, this communication line will be severed and will be ineffective. At the present time, we work closely with agricultural attaches and agricultural counselors on a personal basis throughout the world. To place people within a Department of Commerce at the state level would lose the identity of the state's largest industry and would not be understood by customers throughout the world. Customers desiring support in the purchase of agricultural products work directly and logically with agricultural staff functions. A buyer of agricultural products, such as swine or wheat, would assume their principal contact would be a Secretary of Agriculture and not a Secretary of Commerce. We believe the realignment to a new Department of Commerce would deteriorate customer service as well as delivery of information to the producer of commodities and agricultural supplies. For these reasons, we believe the international agricultural trade activities now within the Board of Agriculture should be retained and not transferred to the new Department of Commerce."

Third, there exists the possibility that in the future, international

agricultural marketing will become diluted at the Department of Commerce. While I have an excellent rapport with the present Secretary of Commerce, Harland Priddle and he certainly understands the Board of Agriculture, it is in the inevitable day when Harland Priddle is no longer Secretary of Commerce that we are concerned. Yes, Mr. Priddle understands and supports agriculture and he will do so through his tenure, but what about the day when Harland Priddle is no longer Secretary of Commerce and the possibility exists that someone in other areas of business and industry are the head of Commerce. Will they see funds and resources allocated to international agricultural marketing as resources that should be transferred to marketing some other product on the international scene? If the international agricultural function is left at the Board of Agriculture, there is no question but that we will emphasize agriculture because that is our mission.

Fourth, we will work in concert with the Commerce Department and make sure that duplicate programs do not exist and that ours are all coordinated with their's so that state government dollars are used to their maximum. You have my pledge on this.

The additional funds proposed to go to international ag marketing in Senate Bill 209 will be appropriately used to further beef up international agricultural marketing activities. An area that Kansas cannot afford to lag behind in. We as a state and our economy indeed on the whole is dependent on international trade and particularly in international agricultural trade. An increased investment in this area will meet increased returns to the state's economy and would be a good investment for economic development in Kansas.

We support Senate Bill 209 and request, if possible, statements from this Committee supporting the retention of international agricultural marketing at the Board of Agriculture.

Mr. Chairman, I would be happy to answer any questions.

KANSAS STATE BOARD OF AGRICULTURE

MARKETING DIVISION

Summary of Primary Activities*

FY 1986 and First Quarter FY 1987

	<u>Foreign Teams to Kansas</u>	<u>Cooperative Promotion with Farm Organizations</u>	<u>International Trade Development Missions</u>	<u>Television Radio Press Promotions</u>	<u>International Exhibitions</u>	<u>Domestic Exhibitions</u>	<u>Special Projects</u>
International	3		4		4		8
Domestic		7		87		3	6
Market Service	14		1		1		15
TOTAL**	<u>17</u>	<u>7</u>	<u>5</u>	<u>87</u>	<u>5</u>	<u>3</u>	<u>29</u>

* Data represents only specific projects and activities. Information is not all inclusive.

** Summary does not include Commodity Commission Program.

KANSAS STATE BOARD OF AGRICULTURE

MARKETING DIVISION

Summary of Activity Results

FY 1986 and First Quarter FY 1987

	<u>First Time New Sales</u>	<u>Projected First Time New Sales</u>	<u>Procurement Mission Sales</u>	<u>Special Media Value</u>
International	\$5,000,000	\$ 100,000	\$33,600,000	
Domestic	25,900	66,000		\$46,430
Market Service	<u>800,000</u>	<u>1,791,000</u>	<u> </u>	<u> </u>
TOTAL	\$5,825,900	\$1,791,000	\$33,600,000	\$46,430

1. Data is information provided by participants and project surveys.
2. Does not include repeat sales.
3. Sales potentials where negotiations are under way but not completed.
4. Official Taiwan Procurement Mission purchases.
5. Calculated value of airtime or advertisement value for only special promotion activities.
6. Summary does not include Commodity Commission Program.

This table shows that for the \$563,305 spent in marketing by the State Board of Agriculture that there were "first time new sales" of \$5,825,900. In other words, for every state dollar spent in agricultural marketing by the Board of Agriculture, there was a return of \$10.34 in actual sales! A 1,000% return! This does not include the Taiwan Procurement Mission or other projected sales nor does it include the value of all other services provided by the marketing division to other agricultural entities. Furthermore, continued sales do occur after the "first time new sales".

SURVEY OF
MARKETING DIVISIONS
IN OTHER STATES

Number
of
States

50

States
with
Ag Depts

46

Ag Depts.
with
Marketing Div.

40



PUBLIC POLICY STATEMENT

SENATE COMMITTEE ON AGRICULTURE

Re: S.B. 209 - Concerning the Grain Commissions
and the Soybean Commission; Providing for Certain Transfers

February 26, 1987
Topeka, Kansas

Presented by:
Paul E. Fleener, Director
Public Affairs Division
Kansas Farm Bureau

Mr. Chairman and Members of the Committee. My name is Paul E. Fleener. I am the Director of Public Affairs for Kansas Farm Bureau. We appreciate the opportunity to speak to the Committee today as a proponent of S.B. 209.

We want to thank the members of this committee, all of whom are among the 25 co-sponsors of S.B. 209. We appreciate the fact that this legislation focuses on an important function of the Marketing Division of the State Board of Agriculture, the appropriate place for personnel and funds to undertake the promotion of marketing for agricultural commodities produced in Kansas.

Please permit us to address a few comments regarding past history. Kansas Farm Bureau **actively** supported the creation of the Kansas Wheat Commission in 1957. Twenty years later - in 1977 - we **strongly supported** the creation of the corn, grain sorghum and soybean commissions. Our policy position has supported and continues to support these commissions. Our members have been encouraged by voting delegates representing all Farm Bureau members in the 105 counties of Kansas to support the commissions

*attachment 2
Senate agriculture
2-26-87*

with their check-off monies.

Mr. Chairman and Members of the Committee ... there is more to this issue than is contained in a three-page bill. The policy question really is this: What is the appropriate place from which marketing activities should take place as concerns agricultural commodities? It should be within the Marketing Division of the State Board of Agriculture. S.B. 209 seeks to "enhance and **expand** the International Marketing Division of the State Board of Agriculture." (lines 109-110 of S.B. 209).

Attached to our statement you will find a memorandum prepared by my colleague, Mr. John K. Blythe, for the Kansas Farm Bureau Resolutions Committee. That same memo was forwarded to county Farm Bureau offices and directors. It gives basic information on the creation of the commodity commissions, duties of the commissions, a brief history of the assessments made and the contributions of producer funds to the State General Fund. I recommend this material to you for your reading and review as you discuss and work S.B. 209. You will also find attached to our testimony the text of two policy positions adopted by voting delegates at the 1986 Annual Meeting of Kansas Farm Bureau. Those delegates came from 105 counties. Those delegates represented the farmers and ranchers of all of those counties. They addressed the Grain Commodity "Check-Off," and Commodity Promotion and International Programs.

Our policy position strongly supports the State Board of Agriculture. We have policy which strongly supports the commodity

commissions. We support the International Marketing Division of the State Board of Agriculture. As you can tell by looking at our policy position on the check-off itself, we believe the contribution to the State General Fund is too high. It used to be 20 percent of the check-off monies. That was amended to **take** only \$200,000, apportioned among the four commodity commissions according to the net check-off on each commodity. We believe \$200,000 is far above the value of any service rendered by the state as a custodian of funds. Our people believe the contribution of the commissions to the State General Fund should not exceed \$50,000 in **total** from the four commissions.

We recognize the state is in precarious fiscal condition. This may not be the year for enactment of legislation to limit the contribution of these commodity commissions though we do not back away from our strong policy position urging a limitation to \$50,000 from the four commissions. S.B. 209 seeks to transfer 50 percent of the money now credited to the State General Fund to the Market Division Fee Fund to be used for that enhancement and expansion of the International Marketing Division of the State Board of Agriculture. Until such time as the state as a whole, and the State General Fund in particular fully funds the Marketing Division, we want to and will support the thrust of S.B. 209.

Mr. Chairman and Members of the Committee, the Congress of the United States has seen fit to incorporate in the Food Security Act of 1985 ... sometimes called the 1985 Farm Bill ... a section creating a special office **within the U.S. Department of**

Agriculture for the promotion and development of markets for agricultural commodities.

In a piece of legislation now before the United States Senate ... S. 490 ... a trade bill that has broad bipartisan support - 31 Democrat and 25 Republican Senators - there is a section, Title 7, which would "create the office of International Market Development and Export Promotion **within** the U.S. Department of Agriculture," and that same title would boost the funding for market development activities and **expand** the staff of the Foreign Agriculture Service (FAS), a division of, yes, the U.S. Department of Agriculture.

Promotion of agricultural commodities around the world is done by, through and with special assignments to the U.S. Department of Agriculture. It is not assigned to the U.S. Department of Commerce. There is a special executive branch office known as the U.S. Special Trade Representative (USTR). Perhaps there are those in Kansas who would think that would be an appropriate way to provide coordination and seek cooperation. The appropriate way to market agricultural commodities is by and through knowledgeable, agricultural marketing specialists in the chain of agricultural marketing, FAS, Market Development and Export Promotion offices in USDA and throughout the world.

We thank you for the opportunity to present these comments on behalf of farmers and ranchers throughout the State of Kansas who are members of Farm Bureau in the 105 counties. We urge this committee to report favorably S.B. 209. We reiterate that at some point in time in the very near future, when the fiscal condition

of the State of Kansas will permit it, the custodial contribution of funds to the State General Fund should be reduced from \$200,000 to approximately \$50,000. The state itself, again when our financial and fiscal condition permits, should certainly be contributing more than 8/10 of 1 percent of the State General Fund budget to agriculture, the number one industry in this state.

Thank you Mr. Chairman. We would respond to any questions.

Grain Commodity "Check-Off"

The purpose of the wheat, corn, grain sorghum and soybean commissions, as indicated in implementing legislation, is to promote the use of and to develop markets for those commodities with money collected from grain producers.

The state treasurer acts as custodian for the funds of the commodity commissions. State law requires payment of 20 percent of the "producers check-off" monies to the State General Fund, up to a maximum of \$200,000. The \$200,000 is apportioned among the four commodity commissions according to net check-off receipts.

We believe the contribution of \$200,000 to be excessive and far above the value of services rendered as a custodian of funds.

We support legislation which would limit the contribution of the grain commissions to the State General Fund to an amount not to exceed a total of \$50,000 from the four commissions.

We recommend the Kansas Legislature confer with the grain commissions before appropriating producer check-off funds that are not in the commissions' budgets.

Commodity Promotion and International Programs

Kansas promotes the sale of agricultural products through the established International Grains Program (IGP) and the recently created International Meats and Livestock Program (IMLP).

We strongly urge the wheat, corn, grain sorghum and soybean commissions to voluntarily increase their financial contributions to the IGP. We strongly urge the American Pork Board and the Beef Promotion Board to contribute some of the check-off funds from the newly established Beef Promotion and Pork Promotion Programs to help support the IMLP.

We further recommend the Kansas Legislature increase appropriations to both the IGP and IMLP from State General Fund monies to enhance the promotion, market development and utilization of our Kansas agricultural commodities.



PUBLIC POLICY STATEMENT

M E M O R A N D U M

TO: State Resolutions Committee

FROM: John K. Blythe, Assistant Director, Public Affairs Division

SUBJ: Kansas Grain Commodity Commissions

DATE: September 4, 1986

KANSAS GRAIN COMMODITY COMMISSIONS

The Kansas Wheat Commission was created by the Kansas Legislature in 1957. The 1977 Session of the Kansas Legislature provided for the Corn Commission, the Grain Sorghum Commission and the Soybean Commission.

The Kansas Wheat Commission is structured as a separate commission with its office in Manhattan. The other three commissions are structured within the Market Division of the State Board of Agriculture.

DUTY of COMMISSIONS

Kansas Law restricts the use of the commission's money, in general, to market development, market promotion, education, research and administration expenses. Budgets of all commissions are submitted for legislative approval along with the State Board of Agriculture budgets and, therefore, must have legislative approval for disbursement of funds.

ASSESSMENTS

The law provides for an assessment of four mills per bushel of wheat (two mills 6-1-57, three mills 6-1-79, four mills 6-1-82). The assessment for grain sorghum and corn is three mills per bushel (increased from two mills to three mills 9-1-82). The assessment for soybean is ten mills (1¢) per bushel (increased from five mills to ten mills 9-1-82).

COMMISSION MEMBERSHIP

The Wheat Commission consists of seven members appointed by the Governor for a term of two years. One commissioner from each of the six districts and one commissioner from the state "at large". Members must have been engaged in growing wheat for at least five years immediately preceding their appointment. No more than four members may be from the same political party.

The state is divided into nine districts for the Grain Sorghum and Corn Commission, and seven districts for the Soybean Commission. Members of the Commission are appointed by the Governor for a term of four years and must have been actively engaged in growing the crop of their commission for at least five years. No more than a simple majority of the members of each commission shall be of the same political party.

CONTRIBUTION to STATE GENERAL FUND

The Kansas Legislature has required, by law, the payment of 20 percent of assessment receipts to the State General Fund. The Kansas Grain Inspection Department fees are also subject to this contribution requirement. The 1975 Session of the Kansas Legislature placed a maximum of \$200,000 for the Wheat Commission and Kansas Grain Inspection Department. In 1978, legislation was adopted to exempt the refunds of the four grain commissions from the 20 percent contribution. 1982 legislation provided that the total contribution to the State General Fund from the four commodity commissions be limited to \$200,000 and would be proportioned among the four commodity commissions according to their check-off receipts.

In 1981, the Interim Legislative Committee on Agriculture in their report to the 1982 Legislative Session recommended that the interest earned on the idle funds of each grain commissions' accounts be credited to them and that the maximum state collection for administrative costs be lowered to \$100,000 for the wheat check-off monies and \$50,000 each for corn, soybean, and grain sorghum monies. Above I have reported the legislative action in 1982 regarding mill levy increases for all four commissions and the limit of \$200,000 of check-off money from all four commissions combined.

WHEAT COMMISSION

Fourteen wheat producing states (including Kansas) currently have wheat commissions or wheat promotion agencies. The Kansas Wheat Commission payment to the states general fund over the past four years has averaged \$122,180 per year. Based on a recent survey of the 14 state wheat promotion agencies, the Kansas Wheat Commission pays two times as much money to the State General Fund in one year than all the other states wheat agencies combined pay.

The result of the 14 state survey is as follows:

	Wheat Commission Which Make Payments to Their General Funds For Administrative Costs	Wheat Commission Which Receive Interest on Their Idle Funds
California	NO	YES
Colorado	NO	YES
Nebraska	NO	YES
Oklahoma	NO	YES
Oregon	NO	YES
South Dakota	NO	YES
Texas	NO	YES
Washington	NO	YES
Wyoming	NO	YES

(cont'd)	Wheat Commission Which Make Payments to Their General Funds For Administrative Costs	Wheat Commission Which Receive Interest on Their Idle Funds
Minnesota	approx. \$8,000	YES
Idaho	approx. \$9,000	NO
North Dakota	*approx. \$20,000	*YES
Montana	approx. \$30-40,000	YES
Kansas	approx. \$122,180	NO

North Dakota's payment to the general fund is based on 20 percent of the interest earned on idle funds going to the state treasury.

Since 1957, the Kansas Wheat Commission has paid a total of \$3,327,762 into the State General Fund and, in addition, has contributed a substantial amount of interest income as the result of balances maintained by the Wheat Commission. An estimate of the interest income for FY 1985 was placed at \$69,937 (9.4% interest rate) and for FY 1986 at \$38,038 (7.4% interest rate).

CROP YEAR PRODUCTION AND ESTIMATED FISCAL YEAR COLLECTIONS:

	FY86	FY87	FY88
Wheat Harvested	433,200,000bu.	326,400,000bu.	388,500,000bu.
Bushels Marketed	400,444,000bu.	350,000,000bu.	355,000,000bu.
Wheat Tax	x\$.004	x\$.004	x\$.004
TOTAL WHEAT TAX COLLECTED	\$1,601,776	\$1,400,000	\$1,420,000
Other Income	+5,187	+5,000	+5,000
TOTAL COLLECTIONS	\$1,606,963	\$1,405,000	\$1,425,000
Less General Fund	-121,560	-102,580	-100,000
TOTAL TO KWC FUND	\$1,485,403	\$1,302,420	\$1,325,000
Less Refunds	-89,669	-77,000	-78,375
Less Transfers	-0-	-0-	-0-
SUB TOTAL	\$1,395,734	\$1,225,420	\$1,246,625
Plus Fiscal Year Carryover	+806,533	+593,789	+493,301
SUB TOTAL	\$2,202,267	\$1,819,149	\$1,746,806
Less Expenditures	-1,608,538	-1,313,168	-1,425,400
FISCAL YEAR CARRYOVER	593,729	499,981	321,206

Financial Statement

July 1, 1983 to June 30, 1984

The Kansas Wheat Commission is financed by a four mill per bushel promotional fee collected on wheat at the first point of sale. The Kansas Wheat Act of 1957 charges the Commission with the responsibility "to conduct a campaign of development, education and publicity" and "to find new markets for wheat and wheat products."

Receipts

<i>Promotional check-off fees</i> collected during fiscal year 1984.	\$1,762,885.02
Less a 6.69% diversion to the State General Fund, an apportioned share of the maximum \$200,000 to be paid jointly by the wheat, corn, soybean and sorghum commissions.	- 117,920.00
Less 4.59% refunds to producers upon request.	- 80,934.25
Plus Legislative transfer from carryover to International Grains Program.	+ 27,885.00
Plus other income from miscellaneous sales.	+ 4,944.21
TOTAL KANSAS WHEAT COMMISSION FUND	<u>\$1,596,859.98</u>

Expenditures

<i>Foreign Market Promotion</i> is the largest budgetary item of the Kansas Wheat Commission, including the contribution to U.S. Wheat Associates, Inc. (USWA), which is the foreign market development arm for American wheat farmers; funding of USWA special projects that directly benefit Kansas farmers; more intensive use of the International Grains Program at Kansas State University; meetings with foreign embassies and trade representatives; and foreign delegations visiting Kansas as well as some staff salaries and related travel expenses.	\$ 876,823.40
<i>Foreign Oriented Research</i> covers contracts for research to develop international markets, new uses of wheat overseas, and improving the marketing characteristics of Kansas wheats.	69,999.00
<i>Domestic Oriented Research</i> includes a program to develop disease resistant wheats and higher protein varieties as well as milling and baking tests on new varieties.	60,450.00
<i>Domestic Market Promotion</i> includes the test kitchen expenses and services of the Commission's home economist, some printing and postage, and related travel expenses. Vacancy of the staff position caused a drop in marketing activities.	35,451.68
<i>Information, Education, and Publicity</i> include public service television production, news feature and press release distribution, printing, postage, Kansas State Fair prizes, educational and promotional materials such as the Wheat Quality Report, a quarterly newsletter, and some staff salary expenses.	174,033.39
<i>Administration</i> expenses include building rental and utilities, office supplies, some printing, postage, motor vehicle supplies and repairs, capital outlay, moving expenses, and commissioner and staff salaries not included in other programs.	141,482.00
TOTAL EXPENDITURES	<u>\$1,358,239.47</u>

The seven governor-appointed wheat farmers known as the Kansas Wheat Commissioners instruct the Commission staff on spending Commission funds for the promotion, use, and sale of Kansas wheat. These decisions are reviewed and approved by the Kansas Legislature and the Kansas Department of Administration.

The unused balance of the Commission fund resulted in a carryover.

\$238,620.51

Financial Statement

July 1, 1984, to June 30, 1985

Promotional levies collected during FY85	\$1,520,354.17
Less to state general fund—proportional share of \$200,000 paid jointly by wheat, corn, soybean and sorghum commissions	-137,700.00
Plus income from sales of materials	+4,307.09
Total FY85 receipts	\$1,386,961.26
Less refunds (5.7% to growers & elevator overpayments)	-91,585.80
	\$1,295,375.46
Carryover from FY84	\$1,023,422.62
Less transfer to International Grains Program	-29,796.00
Less transfer to Non-Food and Non-Feed Uses of Wheat research	-75,000.00
Plus net FY85 receipts	\$918,626.62
Available funds	\$1,295,375.46
Less total FY85 expenditures	\$2,214,002.08
Balance	\$1,406,055.23
	\$807,946.85

FOREIGN MARKET PROMOTION—includes support for U.S. Wheat Associates, the international market development organization for American wheat producers; U.S. Wheat special projects that benefit Kansas farmers; educational work by the Wheat Export Trade Education Committee; the International Grains Program at Kansas State University; meetings with trade delegations; and related salaries and travel.
\$693,374.51

FOREIGN-ORIENTED RESEARCH—includes funding for research projects related to blending Kansas hard red winter with wheats from other countries, using Kansas wheat to make Oriental noodles and Chinese bread, equipment in the Beijing model bakery and related salaries.
\$79,630

DOMESTIC-ORIENTED RESEARCH—includes funding for research projects such as the Kansas Wheat Quality survey; milling and baking tests; improving hard red winter wheat market quality; reducing storage losses; studying objective hardness tests; and related salaries.
\$202,319

DOMESTIC MARKET PROMOTION—includes cooperative promotional projects with the National Association of Wheat Growers, breadmaking videotapes, public service announcements, displays, test kitchen supplies, and related staff salaries and travel.
\$126,412.88

INFORMATION, EDUCATION AND PUBLICITY—includes printing and postage for educational materials, newsletters and news releases; film and processing; promotional materials; and related staff salaries.
\$130,303.34

ADMINISTRATION—includes building rent and utilities, postage, office supplies, vehicle fuel and repairs, printing and administrative travel and salaries.
\$174,015.50

\$1,406,055.23

GRAIN SORGHUM COMMISSION

FY 1986 Assessments	\$ 741,986
Refunds	32,811
General Fund	<u>40,040</u>
NET RECEIPTS	\$ 669,135

FY 1987 Kansas Grain Sorghum Commission Budget

Research

- | | | |
|-----|--|----------------------|
| 1. | Soil Applied Insecticides on Greenbug & Spider Mite:
KSU Department of Entomology | \$ 3,500 |
| 2. | Development of Grain Sorghums Resistant to Production
Hazards: Fort Hays Branch Station | \$ 42,500 |
| 3. | Fusarium moniliforme Populations Isolated from Sorghum:
KSU Department of Plant Pathology | \$ 10,000 |
| 4. | Greenbug Insecticide Treatment for Sorghum Hybrids:
KSU Department of Entomology | \$ 9,700 |
| 5. | Sorghum for Tolerance to Fusarium Stalk Rot: KSU
Department of Agronomy & Plant Pathology | \$ 6,100 |
| 6. | Sorghum for Improved Feed Efficiency: KSU Department
of Agronomy, Garden City, Animal Sciences & Industry | \$ 19,100 |
| 7. | Nutritional Value of Aspirated Milo Liftings: Fort
Hays Branch Station | \$ 10,240 |
| 8. | Grain Sorghum Marketing Economics: KSU Department of
Agricultural Economics | \$ 2,085 |
| 9. | Development of Sorghum Pure Lines: KSU Department of
Agronomy | \$ 9,500 |
| 10. | Sorghum Produced Agent that Protects Chinch Bugs from
Diseases: KSU Department of Entomology | \$ 9,076 |
| 11. | Assessment of Sorghum Resistance to Greenbugs: KSU
Department of Entomology & Agronomy | \$ 5,516 |
| 12. | Marketing High Moisture Feedgrains in Kansas: KSU
Department of Agricultural Economics | \$ 6,000 |
| | | <u>\$133,317</u> (20 |

Market Development

1.	U.S. Feed Grains Council	\$ 322,904	
	(10 states support US Feed Grains Council - 7 corn & 3 grain sorghum)		
2.	U.S. Meat Export Federation	\$ 37,904	
3.	Grain Sorghum Promotion Federation	\$ 50,000	
		<u>\$ 410,808</u>	64

Promotion & Education

1.	International Grains Program	\$ 25,700	
2.	Market Seminars, Communication and Travel	\$ 46,099	
		<u>\$ 71,799</u>	(11)

Operation Expense

		<u>\$ 19,903</u>	
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TOTAL EXPENSE

		<u>\$ 635,827</u>	
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CORN COMMISSION

FY 1986 Assessments	\$ 348,221
Refunds	49,789
General Fund	<u>20,120</u>
NET RECEIPTS	\$ 278,312

FY 1987 Kansas Corn Commission Budget

Research

1.	Fusarium moniliforme Populations Isolated From Corn in Kansas: KSU Department of Plant Pathology	\$ 6,239
2.	Water Use Efficiency in Corn: KSU Department of Agronomy	\$ 18,500
3.	Utilization of Corn Protein in Meat Products: KSU Department of Foods and Nutrition	\$ 13,850
4.	Spider Mite Control: KSU Department of Entomology	\$ 25,500
5.	Corn Marketing Economics: KSU Department of Agricultural Economics	\$ 2,085

6.	Greenbug Biotype Injury to Corn: KSU Department of Entomology	\$ 7,028	
7.	Marketing High Moisture Feedgrains in Kansas: KSU Department of Agricultural Economics	\$ 3,700	
8.	Stored Grain Management: KSU Department of Extension Entomology	\$ 4,000	
		<u>\$ 80,902</u>	(3)

Market Development

1.	U.S. Feed Grains Council (10 states support US Feed Grains Council - 7 corn & 3 grain sorghum)	\$ 95,000	
2.	U.S. Meat Export Federation	\$ 20,000	
3.	National Corn Foundation	\$ 12,500	
		<u>\$127,500</u>	(4)

Promotion & Education

1.	International Grains Program	\$ 21,955	
2.	Market Seminars, Communication and Travel	\$ 20,899	
		<u>\$ 42,854</u>	(1)

Operation Expense

		<u>\$ 8,530</u>	(
TOTAL EXPENSES		<u>\$259,786</u>	

SOYBEAN COMMISSION

FY 1986 Assessments	\$ 388,233
Refunds	25,102
General Fund	<u>18,280</u>
NET RECEIPTS	\$ 344,851

FY 1987 Kansas Soybean Commission Budget

Research

1.	Soybean Varietal Improvement: KSU Southeast Kansas Branch Station	\$ 20,000
2.	Agronomic Comparisons of Soybeans & Wheat: KSU Southeast Branch Station	\$ 4,000

3.	Intercropping Soybeans into Wheat: KSU Department of Agronomy	\$ 11,125	
4.	Soybean Genetic Manipulation: KSU Department of Plant Pathology & Agronomy	\$ 40,877	
5.	Soybean Cyst Nematode Survey: KSU Department of Plant Pathology	\$ 11,630	
6.	Soybean Plot Combine: KSU Department of Agronomy	\$ 25,000	
7.	Evaluation of Soybean Genotypes: KSU Department of Plant Pathology	\$ 11,830	
		<u>\$121,462</u>	(3)
<u>Market Development</u>			
1.	American Soybean Development Foundation	\$175,000	(5)
<u>Promotion & Education</u>			
1.	International Grains Program	\$ 7,620	
2.	Marketing Seminars, Communication and Travel	\$ 28,999	
		\$ 36,619	(1)
<u>Operation Expense</u>			
		\$ 12,184	(
TOTAL EXPENSE		<u>\$345,265</u>	

24 states have a soybean "check-off", 10 state's "check-off" is at 2¢ per bushel.

SEC. 705. OFFICE OF INTERNATIONAL MARKET DEVELOPMENT AND EXPORT PROMOTION.

(a) DEFINITIONS.-- As used in this section:

(1) The term "Director" means the Director of the Office appointed under subsection (c).

(2) The term "Office" means the Office of International Market Development and Export Promotion established under subsection (b).

(b) ESTABLISHMENT.--There is established, within the Service, an Office of International Market Development and Export Promotion to coordinate all market development, promotional, export enhancement, export credit, and targeted export assistance programs, including such programs established under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), and title XI of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1465).

(c) DIRECTOR.--The Office shall be under the direction and supervision of a Director, appointed by and reportable to the Administrator of the Service.

(d) DUTIES.--The Office shall--

(b); (1) coordinate all programs referred to in subsection

(2) create market development strategies;

(3) monitor market development activities of foreign countries and businesses;

(4) assess the effectiveness of current market development programs conducted by the United States;

(5) coordinate a program within the Service--

(A) to employ on a short-term basis private sector individuals who are experts in market development; and

(B) to permit employees of the Service to develop new market development expertise by working in the private sector;

(6) provide an annual report to Congress, in accordance with subsection (e);

(7) establish a quality monitoring unit, in accordance with subsection (f); and

(8) Establish a program evaluation unit, in accordance with subsection (g).

(e) REPORTS.--Not later than September 30 of each year, the Office shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains--

(1) in the case of the first annual report, a report on the potential for new market development abroad obtained through increased cooperation between the States and the Federal Government;

(2) recommendations for improving United States market development programs abroad and establishing new programs;

(3) an assessment of the impact of United States and foreign market development programs;

(4) a report on the progress of implementing the recommendations of the Office for improving market development programs;

(5) recommendations for improving current trade lead activities conducted by the Service, especially the distribution of leads and follow-up by the Service; and

(6) an evaluation of the effectiveness of agricultural trade offices and the need for additional staffing of the offices, establishment of new offices, and the shifting of existing offices to meet changing world markets.

(f) QUALITY MONITORING UNIT.--

(1) There is established, within the Office, a unit to monitor the quality of agricultural commodities exported from the United States.

(2) The unit shall--

(A) act as a liaison with the Federal Grain Inspection Service, private United States exporters, foreign governments, and United States agricultural attaches overseas;

(B) serve as the principle organization for receiving and responding to complaints about the quality of United States exports of agricultural commodities; and

the
notice
and
(C) identify problems in foreign markets concerning
quality of United States Commodities and ensure that
of the problems is provided to relevant private sector
governmental entities for quick response and follow-up.

(g) PROGRAM EVALUATION UNIT.--

and
(1) There is established, within the Office, a unit to
evaluate the overall effectiveness of the market development
promotional activities and programs of the Service.

supervision of
for
(2) The unit shall be under the direction and
a Director, appointed by and reportable to the Undersecretary
International Affairs Commodity Programs.

overall
(3) Not later than September 30 of each year, the unit
shall provide to the Committee on Agriculture of the House of
Representatives and the Committee on Agriculture, Nutrition,
and Forestry of the Senate a report that describes the
effectiveness of the activities and programs described in
paragraph (1), including--

the
especially
assistance
(A) a description of the goals and objectives of
Service for all market development activities,
the cooperator program and the targeted export
program; and

programs,
based on the goals and objectives.
(B) an assessment of the effectiveness of the

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Kansas Wheat Commission Testimony on

Senate Bill No. 209

February 26, 1987

Chairman Allen, members of the committee, ladies and gentlemen, I am Adrian Polansky, chairman of the Kansas Wheat Commission and a farmer from Belleville. I would like to offer some thoughts on Senate Bill 209.

Since its creation 30 years ago, the Kansas Wheat Commission has been committed to building international markets. The commission welcomes the thought of the State of Kansas putting more general fund dollars towards the effort of international marketing. Since the wheat commission is a state agency, I do not feel it is legally proper for the commission or me to comment on whether the international marketing division should be in the State Board of Agriculture or the Department of Commerce. Such a decision must be made by the Legislature and Governor after input from the lobbying farm organizations.

What I do feel is proper for me to discuss today is the funding of the Kansas Wheat Commission. Since the '50s, this state has continually been a leader in wheat promotion. Kansas helped initiate the start-up of Great Plains Wheat, Inc. which later became our one and only international wheat promotion organization of today, U.S. Wheat Associates. This organization, which has 13 foreign offices, carries out over 300 programs in more than 110 countries around the world.

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I had the distinct privilege of serving as chairman of U.S. Wheat Associates last year. In meetings with our major customers I quickly came to realize the overwhelming importance of wheat in the international marketplace. Many countries of the world find that their largest import after oil is wheat. The U.S. is facing extremely stiff competition in the international wheat export market, as all of us in this room fully realize.

This state has been a leader in many other ways over the years. As far back as 1910, a milling program was started which has now blossomed into the famous programs housed in the Department of Grain Science and Industry at Kansas State University. Kansas is now home to the American Institute of Baking, the Food and Feed Grain Institute, the International Grains Program, the U.S.D.A.'s only Grain Marketing Research Laboratory, the Wheat Quality Council and many other wheat-related public and private organizations. My point is that Kansas is indeed the Wheat State for one very special reason besides the fact that we grow more wheat than any other state in the nation. It is because of our leadership role in the national and international wheat industry.

As a leader, other states look to Kansas for direction. Other states are now adapting research and promotion ideas developed in Kansas to their special needs. Other states are proving their commitment to finding markets for wheat by putting their producer dollars to work. I said Kansas is the Wheat State but a recent survey of the 15 other wheat commissions uncovered

some disturbing facts which would lead one to believe Kansas is wanting to give up its leadership role.

The survey indicated that the Kansas Wheat Commission pays a much larger share of its collections to the general fund than any other commission in the nation, is one of only two commissions which does not receive interest on its idle funds, has the longest period of any commission in the nation -one year- in which to obtain a refund of the wheat excise tax, and is the only wheat commission which has had moneys transferred out of its carryover fund by the Legislature for use on projects not originally in its budget.

Recently, the State of Kansas has made major changes to state laws and initiated new forward thinking policies on behalf of economic development. Today I encourage this committee and this Legislature to be aggressive in helping all producers get the full use of their wheat promotion dollars.

I recommend that the state amend the wheat act and repeal the section concerning the money which goes to the general fund. The State has made an exception for the Fish and Game Commission due to the fact that the Fish and Game receives federal matching funds. In each of the past three years the wheat commission has expended an average of \$1.2 million for international market development work. For every \$1 spent, the commission generates an additional \$1.30 in federal funds. These moneys are used by U.S. Wheat Associates to bring people to visit our state, to buy wheat or equipment in our state or to study at the International

Grains Program and American Institute of Baking.

The wheat commission also helps generate matching dollars in foreign countries for use in U.S. Wheat Associates' programs carried out in those countries and in Kansas for research at Kansas State University. The commission is working on a plan to obtain federal dollars for the International Grains Program and is following up on recent information concerning money which is available through federal laboratories, to see if any of the \$20 million can be used for wheat market development purposes. Thus, dollars in addition to those contributed by producers can be found for expansion of our market development programs. But first, our commission must retain its producer dollars to match those other dollars.

I further recommend that the Kansas Wheat Commission be allowed to keep the interest generated on its idle funds. Last year the Legislature made an exception for the Board of Nursing and set up an education fund which does not pay money to the general fund and which keeps the interest generated by the fund. Certainly, the commission's fund is larger, but it is also an education fund, educating buyers about our wheat. The commission fund was created to develop the state's wheat industry and ought to be given the same consideration as the nurses education fund.

The State does have administrative costs associated with the wheat commission, and I suggest that the State simply bill the commission once a year for all reasonable administrative expenses. In the most recent (1984) cost allocation plan for

Kansas, the central service costs allocated to the wheat commission are estimated to be \$12,150. In the past two years the commission paid an average \$150,000 or more above estimated administrative costs. These dollars would have greatly aided the commission's efforts to expand markets if they had been left with the commission and matched with outside money.

Recently 16 Kansas farm and agribusiness groups unanimously agreed to a ten-point plan for agriculture's economic survival. The first point was: We believe in providing assistance for Kansas farmers in domestic and international marketing.

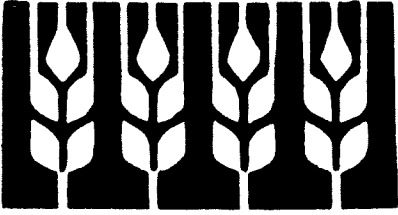
We have a big job to do, but Kansas has the most to gain of any state from increased sales of U.S. wheat. Other states, including North Dakota, Oklahoma, Minnesota and even Oregon which only produces 1/7 the wheat of Kansas, are spending as much or more on wheat promotion as we are. Kansas must again take the lead in promoting and protecting our farmers' wheat markets. I ask you to make the necessary changes in law to do this.

Remember the \$1.30 or more of matching money the commission gets for every \$1 it invests ...if it has dollars to invest.

Remember the low costs of state administration of this agency, \$12,150 in FY84.

Remember the plight of the Kansas wheat farmer and the resulting plight of the state's economy. Let's put those farmer dollars to work on wheat promotion. Can any of us in good faith justify not doing absolutely everything needed in the Wheat State to get the job done?

KANSAS ASSOCIATION
OF WHEAT GROWERS



TESTIMONY
SENATE BILL 209

Senate Committee on Agriculture - Senator Jim Allen, Chairman
Subcommittee by Howard W. Tice, Executive Director

On behalf of the members of the Kansas Association of Wheat Growers, I appreciate this opportunity to appear to offer our support of Senate Bill 209.

We don't need to remind the members of this committee of the sad shape our Kansas economy is in. At the same time, we must continue to restate the need for appropriate measures to improve the economy. We must also not lose sight of the fact that Kansas is an agricultural state. Our greatest strengths are in our agriculture and agricultural support industries. To improve our economy, we must build on those strengths, not try to erect an economic development "House of Cards" on the flimsy foundation of someone's idea of a supposedly more sophisticated economic base, or organizational chart.

We have no quarrel with those who would seek to expand into other areas of economic development. However, we take strong exception to any attempt to weaken the Kansas Board of Agriculture, and its efforts for international market development. A Department of Commerce is a splendid effort to enhance the sale of Kansas manufactured goods, but not if it is at the expense of our number one industry, which is agriculture.

Senate Bill 209 seeks to emphasize the importance of the Board of Agriculture Marketing Division, and to find funding to help replace that which was transferred to the Department of Commerce. We agree whole heartedly with the spirit of this bill. However, we do feel it is in need of constructive amendments.

First of all, I must make the point that, while technically a tax, due to the fact that it is collected by the state, the wheat checkoff is a voluntary contribution by the farmer, for research and market development. Even though it has been classed as a fee fund, for purposes of accounting, it is not a fee paid for state services rendered. Any farmer who wishes, can receive a complete refund of all checkoff money from his wheat by simply requesting it. This is what sets it apart from taxes and fee funds alike, and what should set it apart from the general fund, for the purpose for which it is paid by the farmer. Needless to say, the other grain checkoffs fit this definition as well.

The \$200,000 in question is appropriated to the general fund for the purpose of reimbursing the state for administrative costs for the commissions. However, actual costs for all four commissions don't even come close to \$200,000. In 1984, a state ordered audit found that administrative costs for the Wheat Commission were only \$12,150. The combined costs would probably not exceed \$25,000. We feel that a fair solution to this question would be to place all of the checkoff moneys in commission accounts, and bill the commissions annually for administrative costs. The commissions could, then, use the funds in the manner approved of by the farmers who contribute them, and they can multiply the dollars through matching grants, thereby increasing the impact of the money.

Other ideas have surfaced in the past few days, and could accomplish the same ends. These ideas also have merit, and should be heard. We feel that a subcommittee would be the proper way to discuss these ideas, as that type of forum is a less formal atmosphere which is generally conducive to open and frank discussion.

In conclusion, we support any effort to retain international marketing in the Board of Agriculture. With all due respect to both Governor Hayden and Commerce Secretary Harland Priddle, neither will be in their current offices forever, and we must not make changes that may look good now, without looking into the future, and considering what will happen when new leaders, with different perspectives are on the scene. We must also note that representatives of foreign governments are used to dealing with the USDA and similar state agencies. We must capitalize on our proven assets, not weaken them.

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2-26-87