Approved _____
Date

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS.

The meeting was called to order by Representative Susan Roenbaugh at
Chairperson

9:00 a.m./~~p.m.~~ on March 13, 1990 in room 423-S of the Capitol.

All members were present except: Representative Jenkins, excused

Committee staff present: Raney Gilliland, Legislative Research
Jill Wolters, Revisor of Statutes Office
Pat Brunton, Committee Secretary

Conferees appearing before the committee: Patty Clark, Chairman, Kansas Agriculture and Rural Leadership, Inc.
Jack Lindquist, Board of Directors, Kansas Agriculture and Rural Leadership, Inc.
Tom Wilson, Director, Kansas Grain Inspection Department
Chris Wilson, Kansas Grain and Feed Association

Chairman Roenbaugh welcomed and introduced Patty Clark, Kansas Agriculture and Rural Leadership, Inc. who in turn introduced Jack Lindquist, Board of Directors. Mr. Lindquist presented a short video which gave an overview and general feeling for the program. Mrs. Clark stated the program gives some intensive leadership training to people with an agricultural background.
(Attachment I).

Chairman Roenbaugh opened hearings on SB 504 - Kansas Grain Inspection Department functions; minimum charges and fees.

Tom Wilson, Director, Kansas Grain Inspection Department, testified in support of SB 504 stating the bill incorporates five different issues into one bill. He further stated that nothing in this bill would create additional positions or operating expenditures not currently included in the Department's budget. (Attachment II).

Chris Wilson, Kansas Grain and Feed Association, testified in support of SB 504 stating one of the most significant of the changes in the grain warehouse and inspection statutes is the provision allowing the Grain Inspection Department to increase functional unit fees. She further stated that KGFA appreciates the opportunity to comment on this legislation and requests that the committee recommend the bill favorably for passage. (Attachment III).

Questions and answers followed each testimony.

The Chairman noted that Joe Lieber, Kansas Cooperative Council, had telephoned her and, as he is unable to attend the committee meeting, wanted the committee to know the Council does support SB 504 and requests the fees are not increased too fast.

Hearings were closed on SB 504.

Chairman Roenbaugh approved minutes of February 20, 21, 22, 23, 28 and March 2 with no objections from the committee.

The meeting adjourned at 9:45 a.m.

The next meeting of the House Agriculture and Small Business Committee will be March 14, 1990, at 9:00 a.m. in Room 423-S, State Capitol.

GUEST LIST

COMMITTEE: HOUSE AGRICULTURE AND SMALL BUSINESS DATE: March 13, 1990

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Jack Lindquist	2110 Harper st Lawrence	Kansas Agriculture and Rural Leadership, Inc
Kitty Clark	Rt 1, Box 112, Havana	" "
Jim D. Wilson	Topeka	Grain Insp. Dept
Warren Parker	Manhattan	Kansas Farm Bureau
JOHN STITZ	KCKS.	CATHOLIC RURAL LIFE
Nancy Rantola	Topeka	CKFC
Vickie Chartz	Salina	Close-Up Kansas
Chris Wilson	Topeka	KGFA

Kansas Agriculture and Rural Leadership Program

Prepared by:
Kansas Agriculture and Rural Leadership, Inc.
Manhattan, Kansas

Ag. & SB
3-13-90
ATTACHMENT I

Kansas Agriculture and Rural Leadership, Inc.

Program

Background

In mid-1989 a group of 20 individuals representing virtually all segments of Kansas agriculture agreed to meet to discuss the need and potential for an extensive educational program designed to build a leadership base for Kansas agriculture and its related industries.

The need for Kansas to maintain some control over its destiny in the national and international markets was evident and the decision to proceed with the organization and development of an ag leadership program was unanimous.

A 13-member Board of Directors, with an additional 7-member ex-officio roster, was selected and includes representation from education, finance and banking, production agriculture, farm organizations and agri-businesses. Attachment 1 includes a current listing of all Board members. This group was charged with the establishment of By-Laws and Articles of Incorporation, design of the curriculum, procedure for hiring of a director and fund-raising procedures. Attachment 2 includes The KARL, Inc. Funding Criteria. The Curriculum overview and objectives are attachment 3.

Justification:

Agriculture in Kansas is affected by changing consumer preferences, environmental regulations, national agricultural and monetary policies and international markets. If Kansans are to maintain a voice as policy decisions, both public and private, are being made, they must be prepared with broad-based knowledge and leadership skills to participate in the local, state, national and international discussions which will determine the fate of Kansas agricultural producers and agribusiness people.

Though the arena in which agriculture operates is vast and complex, the population base from which it draws its leadership is diminishing. This creates a host of problems and conflicts as governmental re-districting, based on population, heightens the already apparent imbalance of urban vs. rural. This indicates an even greater need than before for competent leadership from within agriculture.

The impact of the economic recession of the mid-80's on Kansas agriculture and its rural communities was dramatic in the number of foreclosures, bank closings and bankruptcies. Agricultural production units grew in size as a result and survivors become more aware of the acute need for improved management and marketing strategies, as well as increased training in economics and public policy formation.

From April 1, 1982 to February 1, 1987, farmland values dropped 46% in Kansas. A 15% rebound occurred from February 1 of 1987 to February 1 of 1989.

The number of Kansas farms had dropped from 76,000 in 1978 to 69,000 in 1988 with the farm size expanding from 636 acres average to 694 acres over the same period.

According to the Farm Management Association of Kansas, members' net farm income averages dropped from nearly $45,000 in 1979 to a negative $2,000 in 1981. Income slowly rebounded to just over $10,000 in 1983 only to drop again in 1984 and 1985 to just over $5,000. The climb since has been positive though with the 1988 net farm income averaging nearly $50,000.

According to statistics from fiscal year 1988, Kansas agriculture is fighting back as an industry leader in the United States.

Kansas leads the U.S. in wheat and wheat product exports with 906 million dollars in exports traded, a figure nearly $70 million above the next closest state.

Live animal and meat exports were also number one, with Kansas exceeding the exporting giants of Texas and Nebraska.

Kansas took the export lead in Hide and Skins with an export value of 305 million dollars traded.

The state ranked 6th in Feedgrain and Product exports and is ranked 4th overall in Total Exporting, following California, Iowa and Illinois.

Kansas ranks #1 in the production of Wheat, Sorghum Grain and Sorghum Silage, Wheat Flour Milled and Cattle Slaughtered.

A Look To The Future

The future is bright for Kansas agriculture - but experts readily agree that challenges will unfold as we begin the next century which will require strong agricultural leadership. Some of these challenges include:

The Environment

As Congress considers more environmental regulation as it writes the 1990 Farm Bill, it is obvious that a balance must be achieved between what is "environmentally safe" and what is sound in relation to economics and productivity. It will be of key importance to show that agriculture can be a part of the solution to the environmental problems, rather than the problem itself. Water rights, water safety and dwindling water supply will be key issues the agricultural segment will face. Animal rights, though more a sociological issue than a scientific one, will also maintain a high profile into the next decade and air quality and the "Greenhouse Effect" will continue to be debated. Low-Input Sustainable Agriculture (LISA) will continue to draw ire and admiration as it works to establish its place in this science called Agriculture.

Bio-technology

Gene-splicing, cloning, growth hormones, disease resistance built into the genetic framework of plants - all these developments and more are realities of agricultural production. Ethics, food safety, and practical implementations of this technology will receive much attention from the scientists to the producers to the consumers.

Economics

With the passage of the Graham-Rudmann bill and the ever-increasing pressure to reduce our nation's deficit, the economic completion of our national farm policy may change dramatically. Trade negotiations pose the strong possibility of increasing foreign market strength for the Kansas farmer/rancher. The past decade, with its recession, will continue to imprint economic decisions within the state, and the overhaul of the Kansas property tax program will continue.

Political Science

The governments of Eastern Europe are moving away from Communist dominance and toward greater democracy - at the same time, the Third World countries continue to struggle with tremendous debt. The opportunities exist for Kansas farmers to be ready for the demand for food created by both sides. In Kansas, the urban voice will continue to gain strength in what has traditionally been a rural arena, and re-districting of the state poses additional challenges. Vertical integration and corporate vs. family farming will continue to be a hotbed of discussion.

Agriculture

Computerization and farm mechanization will cause managers to change the complexion of their operations in an effort to keep pace with technological advances, as well as take advantage of the profit opportunities which arise from those advances. Broader marketing skills and risk management will play as important a role as production techniques in terms of profitability and efficiency. Natural resource management may begin to overshadow yield-oriented agriculture.

In summary, Kansas faces many difficult challenges - and strong leadership within the ranks of agricultural producers and agri-businesses will be essential to turn those challenges into opportunities for Kansas agriculture.

Overview

As this new decade begins, and as we approach the start of the 21st century, the 1980's vision of "global agriculture" has become a reality. Science and technology have demonstrated the ability to leap forward at an unprecedented pace and the winds of political and sociological change have grown in strength.

It has become obvious that all these factors will continue to render great impact on all aspects of agriculture - from production to marketing to consumption.

To ensure that the Kansas agricultural community can keep pace with the rate of change our industry faces, it is imperative we supply informed, decisive, communicative spokespersons to represent our industry as policies are formed and decisions are made.

To meet this challenge, Kansas State University, the Kansas Board of Agriculture, producers and concerned representatives from farm organizations, the banking industry and agri-business corporations have formed "Kansas Agriculture and Rural Leadership, Inc."

The Kansas Agriculture Leadership Program objectives include:

1. *The development of a program to build young, Kansas agricultural leaders with greater knowledge, broader perspectives and improved communication skills to be able to participate in the national and international debate.*

2. *To design the educational experiences at the local, state, national and international levels.*

3. *To improve decision-making and analytical skills of the leadership candidates, so that they may better serve their industry and their community.*

Kansas Agriculture and Rural Leadership, Inc. has been formed as a non-profit entity to guide and finance the leadership program. A program director, located on the K-State campus, will operate the program under the direction of KARL, Inc. Board of Directors.

Each class will be composed of 30 individuals (no more than one individual per family), two-thirds of whom will be actively involved as operators of production agricultural units and the remainder from agribusiness and agricultural organizations. Class members will be between the ages of 25 and 45 and have demonstrated some leadership ability. Each participant will commit to completion of the program as well as pay a registration fee of under $2,000.

Each class will meet 12 times over a two-year period for workshops, seminars, tours of production ag and agri-business operations, as well as with representatives of other industries (specifically, aviation and oil) which also render impact on the state of Kansas. Included in the program will be a national study tour of marketing and government centers (Kansas City or Chicago and Washington, D.C.) and a study trip abroad to develop an appreciation of how the economy, culture and people of another country can influence agricultural issues.

Goals of the program include:

1. *Candidates' recognition and appreciation of their leadership potential.*

2. *Increase the candidates' decision-making and analytical skills.*

3. *To broaden the perspective of the candidates relative to history, economics, sociology, culture and arts and how those areas relate to the decision-making process.*

4. *To increase the candidates ability to communicate persuasively and effectively.*

5. *To provide a "global" focus for the candidates and prepare them to face the enormity of the challenges that agriculture will face in the future.*

Kansas Agriculture and Rural Leadership, Inc.

Curriculum Overview

The curriculum purpose is to enhance the effectiveness of Kansas' new agricultural and rural leaders by:

* *Increasing understanding of economic, political, and social issues.*
* *Improving communication, problem solving, and leadership skills.*
* *Exposing participants to proven leaders and people with different cultures and viewpoints.*

The two-year program consists of an indepth educational structure including 12 seminars. A week-long national trip and a two-week international study tour are included in the schedule. The total commitment, 51 days, is generally balanced from October through March each year with most seminar sessions occupying 3-day periods. Relaxation, tours, informal gatherings, and social events are included in the time frames of most seminars.

1991

Genesis
October 9-11
Manhattan

* *Orientation*
* *Agriculture's Past, Present and Future*
* *Group Dynamic Skills*
* *Leadership - Skills, Styles and Perils*
+* *KSU and Agricultural Research Tours*

Community
November 13-15
Garden City

* *Kings and King Makers*
* *Community Management*
* *Value Added Agricultural Products*
+* *Beef and Other Industry Tours*

Networking
December 11-13
Manhattan

* *Sharing Your Ideas*
* *Listening Skills Workshop*
* *Fact vs. Fiction*
* *Writing Skills*
* *Professionalism in Agricultural Promotion*
* *Media Mania Workshop*
+* *Farm Bureau Facility*
+* *Dole Tele-communication Center*

1992

The Needs of The Many
January 22-24
Topeka

* Micro-Economics
* Macro-Economics
* Population Trends
* The Legislature
* Regulating Agriculture
+* Kansas Capital Tour
+* State Board of Ag Tour

Food for Peace
February 19-21
Manhattan

* Skills in Conflict Management
* Population Needs
* Competition Within
* Military Aspects
* Diplomacy
+* Fort Riley Tour

National Directions
March 16-22
Kansas City

* National Agriculture
+* K.C. Board of Trade
+* Farmland Industries

Washington, D.C.
* U.S. Food Policy
+* U.S.D.A.
+* Environmental Protection Agency
* Domestic and Foreign Affairs
+* U.S. Capital

Economic Revitalization
October 15-17
Hutchinson/Lindsborg

* Rural and Urban Economic Development
* Planning for Obsolescence
* Investing in a Quality Public School System
+* Area Industry and Commerce Tours
* Saving Our Disappearing Communities

Adapting to Change
November 11-13
Manhattan

* Water Quality and Quantity
* Food Safety Issues and The Environment
* Animal Science Directions
+* KONZA Prairie Tour
+* Agronomy Research Farm
+* Waste Disposal/Recycling Tours

International Trade
December 9-11
Wichita

* Import/Export Balance
* International Tour Briefing - Implications
+* Industrial Tour, oil/gas/manufacturing and aviation

1993

Agriculture's Future World
January 13-15
Lawrence

* Discovering the Future
* Kansas History Review
* International Tour Briefing - Political Climate, Cultures and Customs

International Study Tour
March 17-31

+* Trade Relationships
+* Comparative Agriculture
+* Cultures and Customs
+* Domestic and Foreign Policies

The Power of One
April 15-16
Manhattan

* International Tour Review and Debriefing
* Challenge for Leadership
* Leadership Goal Setting
* Organization of Alumni Association
* Evaluation
* Graduation

Kansas Agriculture and Rural Leadership, Inc.

Board of Directors

Stan Ahlerich
Rt. 1, Box 252
Winfield, KS 67156
316-221-7189

Patty Clark
Rt. 1, Box 112
Havana, KS 67347
316-673-9471

Paul Nauer
Rural Route
Jennings, KS 67643
913-678-2607

Ray Purdy
P.O. Box N
Garden City, KS 67846
316-275-6151

Chris Wilson
816 SW Tyler
Topeka, KS 66612
913-234-0461

John Baldwin
Dillon Company
Hutchinson, KS 67501
316-665-5511

Dwight Johnson
720 Leavenworth
Manhattan, KS 66502
913-537-9718

Kathy Patton
P.O. Box 119
Topeka, KS 66601
913-276-3456

Bill Riley
Umberger Hall, K.S.U.
Manhattan, KS 66506-3400
913-532-5881

Ross Beach
P.O. Box 818
Hays, KS 67601
913-625-7353

Florence Metcalf
613 S. Madison
Hugoton, KS 67951
316-544-4341

Jerry Porter
Rt. 2, Box 189
Jewell, KS 66949
913-545-3662

Jack Vanier
Brookville, KS 67425
913-234-0461

Ex-Officio Board Members

Senator Fred Kerr
Rt. 2
Pratt, KS 67124
316-672-6605
State Capitol
Topeka, KS 66612
913-296-2497

Dr. Barry Flinchbaugh
Waters Hall, K.S.U.
Manhattan, KS 66506-4008
913-532-5823

Dean Walter Woods
Waters Hall, K.S.U.
Manhattan, KS 66506-4008
913-532-6147

Senator Janis Lee
Rt. 1, Box 145
Kensington, KS 66951
913-476-2294
State Capitol
Topeka, KS 66612
913-296-7300

Dr. Marc Johnson
Waters Hall, K.S.U.
Manhattan, KS 66506-4008
913-532-5823

Sam Brownback
State Board of Agriculture
109 SW 9th
Topeka, KS 66612
913-296-3556

Jack Lindquist
Dg. Co. Extension Center
2110 Harper
Lawrence, KS 66046-3240
913-843-7058
913-841-0789 (H)

THE STATE OF KANSAS

MIKE HAYDEN
GOVERNOR

INSPECTION POINTS
ATCHISON KANSAS CITY
COLBY SALINA
DODGE CITY TOPEKA
HUTCHINSON WICHITA

GRAIN INSPECTION DEPARTMENT

GENERAL OFFICE
700 Jackson, Suite 800, P.O. Box 1918, Topeka, Kansas 66601-1918
INSPECTION DIVISION WAREHOUSE DIVISION
PHONE (913) 296-3451

T. D. WILSON
DIRECTOR

TO: Representative Susan Roenbaugh, Chairman
House Committee on Agriculture

FROM: T. D. Wilson, Director
Kansas State Grain Inspection Department

DATE: March 12, 1990

SUBJECT: Senate Bill 504

Senate Bill 504 incorporates five (5) different issues into one bill. These issues are addressed in the (5) "Sections" of the bill and they are:

Section 1 (K.S.A. 34-101)

We are proposing an addition to this statute at the recommendation of the Attorney General's office that would allow the department to be a part of and cooperate with any local, state or national organization engaged in similar work and activities. The department has been a member of two national organizations for over 30 years but nothing in our statutes addresses this issue. There would be no fiscal impact with this addition.

Section 2 (K.S.A. 34-103a [a])

The department has been authorized and designated by the FGIS and the AMA to perform Official Aflatoxin tests. There is nothing in the statues that allows us to assess a fee for this service. This authorization has been granted since the preparation of the FY 91 budget. We are proposing a statutory fee for aflatoxin of not more than $30.00. We are also proposing a Special Service fee of not more than $30.00 that would allow us to go to Rules and Regulations with a fee to cover short notice or new required services. The equipment will be purchased from the FY 90 Capital Outlay and will not require any additional budgeting for operation.

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ATTACHMENT II

Section 3 (K.S.A. 34-228 [f] [1])

While preparing the FY 91 budget we considered raising the license fee for each functional unit to help with the Warehouse Division budget. We discovered the functional unit fee was already at the statutory limit. This would allow us a fee increase consideration for the FY 92 budget.

Section 4 (K.S.A. 34-233)

This statute is out-dated and needs to be corrected in the interest of the public and to protect the depositor. There is no fiscal impact on the budget.

Section 5 (K.S.A. 34-235)

The Attorney General's office advised us that this statute was in conflict with K.S.A. 34-125 and should be corrected. There is no fiscal impact on the budget.

Nothing in this bill would create additional positions or operating expenditures not currently included in our budget.

TDW:bak

STATEMENT OF THE KANSAS GRAIN AND FEED ASSOCIATION

TO THE HOUSE AGRICULTURE AND SMALL BUSINESS COMMITTEE

REP. SUSAN ROENBAUGH, CHAIRPERSON

REGARDING S.B. 504

MARCH 13, 1990

Madame Chairman and Members of the Committee, I am Chris Wilson, Director of Governmental Relations of the Kansas Grain and Feed Association (KGFA). Our Association's 1500 members are involved in the grain handling, storage, merchandising and processing industry. We support S.B. 504, which makes several changes in the grain warehouse and inspection statutes.

One of the most significant of these changes to our membership is the provision allowing the Grain Inspection Department to increase functional unit fees. While this is a time when, due to short crops and lack of grain in storage, that warehousemen can ill afford an increase in fees, we do not oppose this change. Functional unit fees are necessary because of all the mergers and acquisitions in the industry. When they were adopted, it was with the understanding that they would be increased gradually to an appropriate level. The Department has not increased the fees since they were instituted.

KGFA appreciates the opportunity to comment on this legislation and requests that you recommend the bill favorable for passage. I will be glad to respond to any questions you may have.

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Ag. & S.B.
3-13-90
ATTACHMENT III