

Approved March 18, 1992
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE

The meeting was called to order by Sen. Don Montgomery at
Chairperson

10:00 a.m./~~p.m.~~ on March 17, 1992 in room 423-S of the Capitol.

All members were present except:

Committee staff present:

Raney Gilliland, Legislative Research
Jill Wolters, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Al LeDoux, Committee of Kansas Farm Organizations
Jerry White, Kansas Corn Growers Association
Vail Fruecning, Kansas Grain Sorghum Producers Association
T.D. Wilson, Director, Kansas Grain Inspection Department
Tom Tunnell, Kansas Grain and Feed Association

SB 763 - Concerning grain sorghum; relating to assessments thereon.

Sen. McClure explained that the bill was requested by the sorghum producers to increase assessments as has been done for other grains.

Al LeDoux, Committee of Kansas Farm Organizations, testified in support of SB 763. (Attachment 1).

Jerry White of the Kansas Corn Growers Association testified in support of the bill. He said that in the areas of research and promotion, this bill would compliment all of his organization's programs. It would enable the two groups to work together.

Vail Fruecning, Kansas Grain Sorghum Producers Association, gave final testimony in support of SB 763. (Attachment 2).

Sen. Webb made a motion to report SB 763 favorable for passage, Sen. Frahm seconded, and the motion carried.

HB 2827 - Concerning the grain inspection department; relating to fees and services.

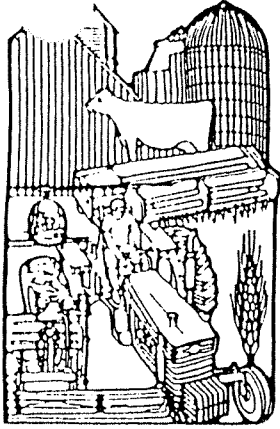
T. D. Wilson, Director, Kansas Grain Inspection Department, testified in support of the bill. (Attachment 3).

Tom Tunnell, Kansas Grain and Feed Association, stood in support of the bill noting that the industry has no objections to the fees.

Sen. Webb made a motion to report HB 2827 favorable for passage, Sen. Frahm seconded, and the motion carried.

The minutes of March 16 were approved.

The meeting was adjourned at 10:25 a.m.



Committee of Kansas Farm Organizations

STATEMENT OF POSITION

COMMITTEE OF KANSAS FARM ORGANIZATIONS

RE: SENATE BILL NO. 763

SENATE AGRICULTURE COMMITTEE

MARCH 17, 1992

Al LeDoux

Legislative Agent

Route 1

Holton, KS 66436

(913) 364-3219

Committee of Kansas
Farm Organization Members

Associated Milk Producers, Inc.

Kansas Agri-Women Association

Kansas Association of Soil
Conservation Districts

Kansas Association of
Wheat Growers

Kansas Cooperative Council

Kansas Corn Growers Association

Kansas Electric Cooperatives

Kansas Ethanol Association

Kansas Farm Bureau

Kansas Fertilizer and
Chemical Association

Kansas Grain and Feed Association

Kansas Livestock Association

Kansas Meat Processors
Association

Kansas Pork Producers Council

Kansas Rural Water
Districts Association

Kansas Seed Industry Association

Kansas Soybean Association

Kansas State Grange

Kansas Veterinary Medical
Association

Kansas Water Resources Association

Kansas Water Well Association

Mid America Dairymen, Inc.

Western Retail Implement and
Hardware Association

Kansas Grain Sorghum Producers

Kansas Association of Nurserymen

Mr. Chairman, Members of the Committee: My name is Al LeDoux and I am presenting testimony to you this morning on behalf of the Committee of Kansas Farm Organizations. As you well know, our group is made up of twenty-five (25) Ag and Ag related organizations operating here in Kansas.

CKFO has elected to unanimously support Senate Bill 763. In reviewing the bill our members identified this legislation as beneficial to the industry. We believe the proposed increase in checkoff dollars is designed to fund new research into food and non-food uses for sorghum. We understand that this proposal allows individual producers the option of having their producer dollars returned to them if a request is made.

We would appreciate the Committee's favorable action on Senate Bill No. 763.

Respectfully submitted,

Al LeDoux

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Attachment 1

TESTIMONY

Senate Bill # 763
Senate Agriculture Committee
17 March, 1992

Vail Fruechting
Kansas Grain Sorghum Producers Association
Rural Route 1 Box 46 B
Plains, KS 67869

Thank you Mr. Chairman and members of this committee. My name is Vail Fruechting. I am president of the Kansas Grain Sorghum Producers Association and a grain sorghum farmer from Plains. I am here today on behalf of our association, which voted at our annual meeting in January, to seek a two mill increase in the assessment levied against the commercial sale of grain sorghum to the first purchaser. Many, if not all of you, are aware of the new and exciting uses for agricultural crops that are being developed. And with the uncertainty in overseas markets we can all agree that these new non-traditional uses can represent a bright future for grain sorghum producers. Many prominent researchers tell us that we are only beginning to scratch the surface of these non-traditional grain uses. There is a tremendous amount of opportunity waiting to be utilized with one major factor limiting this opportunity, the lack of needed funding.

Kansas is traditionally the # 1 sorghum producing state in the nation. It does have an image problem among producers and users, domestically and internationally. Sorghum is a product that does not promote itself. We have to be able to

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Attachment 2*

be present in all the right times and places to promote our product domestically and internationally.

There are also many needed research projects pertaining to current production practices that need our immediate attention. In western Kansas, two new types of greenbugs have emerged that are causing serious economic damage. In northern and eastern Kansas, the chinchbug continues to be a major problem. Lowering of inputs and costs should be one of the major focuses of research. All across the state, the conservation of water is and will continue to be an issue of great concern. There is the potential for significant corn acres to be switched to sorghum shortly, especially in the major irrigated areas of western Kansas. It is important to have research projects funded to maintain agricultural competitiveness in our state. In turn this should benefit the local counties and the state in maintaining or increasing revenue due to increased economic activity.

Over the last fifteen years that the check-off program has been in existence, there has been one increase in the assessment rate, from two to three mills. Costs attributed to basic research, whether for production or utilization, has gone up considerably during the last fifteen years. Add to that the new-use areas that were not even known about in the late seventies and you have a lot of good and necessary projects that are shelved or seriously cut back due to a lack of needed funding.

The Kansas Grain Sorghum Commission has done an

excellent job in determining the priority of proposed projects in relation to the amount of funds they have available. We come before you today to ask that the assessment be increased to allow increased funding to all areas including research and market development. We fear opportunity lost today might not present itself again.

An increase in this voluntary assessment might also preempt Kansas State University from coming to the Kansas Legislature asking for monies to keep these important projects and research departments operating.

All monies collected from grain sorghum producers in Kansas are available for refund should the farmer request it. The only limitation is that a minimum amount of five dollars was established a few years ago to help cut down on the expense of processing refund requests smaller than that amount. Our organization believes that the refund provision provides an additional level of checks and balances to our current check-off system. The fact that refunds typically run at less than a ten percent level, we believe indicates general widespread acceptance among producers. We do not see an increase in assessment as a negative factor in that light. In fact, by allowing greater from Kansas in research and market development activities, we might see a decrease in refund percentages due to increased producer awareness concerning the use and benefits of grain sorghum check-off associated dollars.

In summary, there is a definite need for increased funding in research and market development of grain sorghum in our state. The Kansas Grain Sorghum Producers Association believes that the future of many potential efforts to increase the profitability of growing grain sorghum in Kansas rests on our ability to raise the needed funds to support those same efforts. Although there will always be requests for funds that are not there, the proposed increase will insure that Kansas producers continue to do their part.

I thank all of you for this opportunity, and will gladly try to answer any questions you might have.

THE STATE OF KANSAS



JOAN FINNEY
GOVERNOR

T.D. WILSON
DIRECTOR

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



TO: Don Montgomery, Chairman
Members - Senate Committee on Agriculture

FROM: T. D. Wilson, Director

DATE: February 20, 1992

SUBJECT: House Bill No. 2827

Section 1. - KSA 34-101d: In 1991, the designated official agency in Colorado lost their designation by the F.G.I.S., and many of the grain firms in eastern Colorado asked us to service their facilities. By statute, we were unable to perform this service. With our contract sampling program, the grain facility must pay all the cost of servicing that facility, so there would be no cost to our agency of acquiring grain samples. It would mean additional business for our Colby and Dodge City stations at no additional cost. Repealing the present K.S.A. 34-101d and replacing it with the new language would allow us at a future date to service these facilities.

Section 2. - KSA 34-103a: The changes are fee additions for new equipment that is now being used by the industry and raising our hourly rate from \$16 to \$20 to cover costs. We would also propose to offer a discount on our fees through a contractual agreement in which the applicant agrees to have all services performed by the department. This is an effort to maintain our current revenue at no additional cost.

There should be no impact on any other agency due to these proposed changes.

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