

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Joann Flower at 9:00 a.m. on March 9, 1995, in Room 423-S of the Capitol.

All members were present except: Representative Sloan - Excused

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

Conferees appearing before the committee:

Chris Wilson, Legislative Liaison, Kansas Dairy Association
Cletus Grosdidier, Vice Chairman, Kansas Dairy Association
Dennis Metz, Secretary-Treasurer, Kansas Dairy Association
Myron Schmidt, National Dairy Promotion and Research Board
Mark Hardison, Dairy Consultant, Farmland Industries

Others attending: See attached list

Chairperson Flower welcomed everyone and called the committee's attention to the minutes of March 7 and 8. If there are additions or corrections, please contact the secretary before 5:00 or they will stand approved as presented.

Hearing on SB 164 - Creating the Kansas Dairy Commission

Chairperson Flower opened the hearing on **SB 164** by asking Raney Gilliland, Legislative Research Department, to brief the committee on the bill. This bill would establish the Kansas Dairy Commission, consisting of seven members elected at the annual meeting of the Kansas Dairy Association. Members must be residents of Kansas and active dairy producers. One member would be elected from each of the Dairy Herd Improvement Association districts and the remainder would be elected at large. The Dean of the College of Agriculture at KSU and the Secretary of the State Board of Agriculture (or their designates) would be ex officio members of the commission.

The commission would have the power to conduct a campaign of dairy industry development through research, education, and information; enter into contracts; appoint an administrator; cooperate or contract with similar local, state, or national organizations or agencies; establish an office; and adopt, rescind, modify, and amend all necessary and proper orders, resolutions, and rules and regulations. Funding for the commission of not more than .1 percent of the market price per hundred pounds of fluid milk sold by dairy farmers is covered in Section 4 on page 3. Provision is made in Section 5 on page 3 to allow the commission to have someone collect and disburse the assessments. Section 6 on page 4 covers penalties for violation of any of the provisions of this act. This commission would be similar to the Kansas Sheep Council in that it is not associated with any state agency. Other commodity commissions must be approved through the legislative appropriation process. The Kansas Sheep Council and the proposed Kansas Dairy Commission would act on their own.

Chris Wilson, Kansas Dairy Commission, appeared in support of **SB 164**. This legislation was introduced in the Senate Agriculture Committee at the request of the Kansas Dairy Commission. It was modeled after the Kansas Sheep Council. At 3/4 cent per hundred pounds, this check off should raise \$80,000 a year. She emphasized that dairy producers are not asking government to solve their problems, but are seeking to help themselves by joining together to face the challenges of the dairy industry. (Attachment 1)

Cletus Grosdidier, Vice Chairman of the Kansas Dairy Association, from Eudora, testified on behalf of KDA in support of **SB 164**. Mr. Grosdidier provided some background on the dairy industry in Kansas. He felt

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE, Room 423-S Statehouse, at 9:00 a.m. on March 9, 1995.

that with budget constraints and deficits at the federal, state, and local levels that assistance to agricultural programs would decrease or possibly be eliminated. The Kansas Dairy Commission as established in this legislation would be funded by dairy farmers enabling them to be better informed, more united, and better able to prepare for future changes in the industry. (Attachment 2)

Dennis Metz, Secretary-Treasurer of the Kansas Dairy Association, from Wellington appeared in support of **SB 164**. He reported that the Kansas Dairy Association was a new organization and had held their first annual meeting last Saturday. The mission of the KDA is to provide a unified voice for dairy farmers, to cooperate with other organizations and agencies, to provide information and education, and to perform elected activities to improve the economic status of Kansas dairy producers. The KDA is seeking to establish a producer-funded commission to focus on research, education, and information specific to the Kansas dairy industry. He listed some of the possible projects of the Kansas Dairy Commission. (Attachment 3)

Myron Schmidt, Goessel, representing the National Dairy Promotion and Research Board, testified in favor of **SB 164**. He listed ten reasons why dairy farmers should have a commission: 10) animal rights, 9) water quality, 8) waste management, 7) milk quality, 6) dairy inspection, 5) child nutrition, 4) school lunch and breakfast programs, 3) educational opportunities in 4-H and FFA, 2) source of factual information, and 1) communications link between dairymen, consumers, and government leaders. (Attachment 4)

Mark Hardison, Dairy Consultant for Farmland Industries, Mulvane, appeared in support of **SB 164**. He felt that if dairy producers in business today are to continue to be in business in the future, producer educational programs are vital. A Kansas Dairy Commission would allow producers to help themselves by providing funding for additional educational opportunities, enabling them to meet environmental, regulatory, and technological challenges. It will also give them a means of providing positive dairy information to Kansas consumers, youth, media, and other groups. (Attachment 5)

Written testimony in support of **SB 164** was submitted by Michael R. Currie, President, Heart of America Dairy Herd Improvement Association. The Kansas Dairy Herd Improvement Association had been the organization that provided the structure and format for the exchange of ideas and information. Recently, Kansas DHIA merged with six other states to form the regional Heart of America DHIA. This move left Kansas dairymen with a need for a commission to support their industry through research, information, and education. Mr. Currie stated that they are simply asking for permission for a vehicle so that they may help themselves. (Attachment 6)

It was emphasized during questioning that the Kansas Dairy Commission would be a totally voluntary organization. There are two major cooperatives that purchase most of the milk in Kansas. This commission would allow the producers to collectively communicate with their buyers. The dairy industry currently pays 28 cents per hundred weight for various things, including 15 cents for the National Dairy Board and 11 cents for Gramm-Rudman. The committee was reminded that check-off money cannot be used for lobbying purposes. Dairy industry lobbying is done through the Kansas Dairy Association.

This concluded the hearing on **SB 164**.

The meeting adjourned at 9:55 a.m. The next meeting is scheduled for March 10, 1995.

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: March 9, 1995

NAME	REPRESENTING
Meyerson Schmitt	AMPI
Charles J. ...	KDA Mid America Dairyman
Mark K. ...	Farm and Foodstore / KDA
Dennis Metz	KDA - AMPI - Kansas market
DONALD SUDBRASS	Ks FOOD DEALERS ASSN
Kenneth M. Wilke	Ks. Dept. of Agriculture
Chris Wilson	KS Dairy Ass'n
Joe Lieber	KS Co-op Council
Marty Vanier	KS Ag Alliance
Mary Jane Stettelman	KS Farm Bureau

Adv. Board

**STATEMENT OF THE
KANSAS DAIRY ASSOCIATION
TO THE HOUSE AGRICULTURE COMMITTEE
REPRESENTATIVE JOANN FLOWER, CHAIR
REGARDING S.B. 164, ESTABLISHING THE KS DAIRY COMMISSION
MARCH 9, 1995**

Madam Chair and Representatives of the Committee, I am Chris Wilson, Legislative Liaison of the Kansas Dairy Commission (KDA). KDA is the professional organization of the Kansas dairy producers, serving all more than 1,000 dairy farmers in Kansas. KDA is a relatively new organization as you will hear from some of its leaders today. It is a privilege for me to be associated this Session with this positive and visionary group. We appear before you today on behalf of S.B. 164, establishing the Kansas Dairy Commission.

We want to thank you for considering this legislation which is based on the model which the Legislature created through the Kansas Sheep Council. We think it is an excellent model of a commodity commission, providing for producer self-help programs at no cost to the taxpayer.

I believe this group should be commended for looking ahead at the challenges facing the dairy industry today and in the future and seeking to help themselves, not looking to government to solve their problems, but rather developing the means to join together and turn challenges into opportunities.

Thank you, Madam Chair, for the opportunity to address this important legislation today. I will be glad to respond to questions at any time.

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*House Agriculture
Attachment 1
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**STATEMENT OF THE
KANSAS DAIRY ASSOCIATION
TO THE HOUSE AGRICULTURE COMMITTEE
REPRESENTATIVE JOANN FLOWER, CHAIR
REGARDING S.B. 164
MARCH 9, 1995**

Madam Chair and Members of the House Agriculture Committee, I am Cletus Grosdidier, a dairyman from Eudora, Kansas, where my family and I operate a 90-cow herd dairy. I am currently serving as Vice Chairman of the Kansas Dairy Association (KDA) and have been involved in dairy organization leadership roles since 1966. Thank you for the opportunity to testify on behalf of KDA in support of S.B. 164.

There has been an effort to establish a Kansas dairy producer organization for a several years, resulting in the formation of the Kansas Dairy Association. Many other states have had such organizations for years; whereas, in Kansas we have primarily relied on our milk cooperatives to be our voice on issues of concern and to represent us. However, as the industry has changed and production has become more regional, the cooperatives focus more of their attention on regional and national issues. Dairy Herd Improvement Association, which represented about half of Kansas dairy farmers, has also become regional, joining a six-state organization called Heart of America DHIA. Only Kansas State University Extension remains in direct service to Kansas dairy producers. Both of our dairy extension specialists commented that had a producer organization been formed 20 years ago, we might have a different dairy industry today in Kansas.

Perhaps we are twenty years late, but we believe it is better late than never. In the face of dramatic changes in the dairy industry, especially right here in Kansas, the timing could not be better. Our industry in Kansas has become the focus of national attention because of the large dairies moving into the state. It is too early to tell the full impact of this new development, but it is not too early to become involved and ensure that we as an industry are poised and ready to ensure the impact is positive on the dairy industry, consumers and the economy alike. To do so, we must be well-informed, organized, able to communicate and representative of all dairies.

We in the Kansas Dairy Association are committed to serving all dairy farmers. The establishment of a funded dairy commission will help ensure we can continue to

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do so with greater effectiveness and with broader impact.

It is obvious with budget constraints and deficits at the federal, state and local levels that assistance to agricultural programs will decrease and may even be eliminated. The writing is on the wall. If we are to impact our industry, we must do so ourselves. The Kansas Dairy Commission, established through S.B. 164, and funded by dairy farmers, will allow us to stand a little taller, better informed, more united and better able to prepare for change, not merely react to it.

We 1,000 active dairy farmers in the state represent the remnant of a group that was double that figure only a few years ago. Yet we still represent a positive economic force in our own communities. To strengthen our industry is to strengthen our communities. This is economic development at its best - strengthening the industry already within our own communities.

Our goals with the Kansas Dairy Commission are to promote well-being and opportunity for all dairy farmers both present and future; to provide a consistent quality product for our consumers; and to remain poised and ready to respond to new challenges that face us as individuals or as an industry. Our resources are many...information, education, research, promotion and organization among others.

Madam Chair and Members of the Committee, your endorsement of our efforts to establish a dairy commission through S.B. 164 and your efforts in helping pass this legislation are critical to our ability as the Kansas dairy industry to meet the challenges of the present and the future which are sure to affect us all, dairy farmers and consumers alike. This legislation is not a cure-all by any means, but it is enabling. It is ultimately up to us and our resolve to see that it is effective.

We would appreciate your favorable consideration of S.B. 164. Thank you, and I will be glad to respond to questions.

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**STATEMENT OF DENNIS METZ TO THE HOUSE AGRICULTURE COMMITTEE
REGARDING S.B. 164, CREATING THE KANSAS DAIRY COMMISSION**

March 9, 1995

Madam Chair and Members of the Committee, I am Dennis Metz. My family and I have a dairy herd and farm near Wellington, Kansas. I am currently serving on the Board of Directors of the Kansas Dairy Association (KDA) as the Secretary-Treasurer. KDA is a new organization--we just held our first annual meeting in Newton on Saturday. We have an enthusiastic and growing membership, and response from the dairy producers to KDA has been very encouraging.

The mission of the Kansas Dairy Association is to provide a unified voice for dairy farmers, to cooperate with other organizations and agencies toward common goals, to provide information and education, and to perform selected activities to improve the economic status of Kansas dairy producers.

In keeping with the mission of KDA, we are seeking to establish a producer-funded commission, which will provide a source of funding for research, educational and informational projects for the dairy industry. The following is a listing of some of the types of projects we hope the Kansas Dairy Commission will undertake:

- Sponsor grants for K-State dairy research projects and student scholarships.
- Sponsor seminars and publications to keep dairymen abreast of new information and technology.
- Contribute to the Kansas State Fair 4-H building remodeling fund.
- Sponsor 4-H dairy-related projects or events.
- Present the Distinguished Dairyman Award.
- Work with other agencies in promoting milk and milk products in Kansas.
- Provide consumer and nutritional information to the public, through school systems, fairs, exhibitions, and other means.
- Support Kansas-oriented programs of the Dairy Herd Improvement Association, including support for the work of the DHIA supervisors.

It is KDA's goal that the Commission will work with and serve all dairies in the state. Senators, this Commission is needed as our cooperatives and other dairy organizations become more regionalized. This is a way for us to help ourselves and to focus on dairy industry research, education and information specific to Kansas.

Thank you for this opportunity to ask your support for S.B. 164. If there are questions, I'll be happy to respond.

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**STATEMENT OF MYRON SCHMIDT
TO THE HOUSE AGRICULTURE COMMITTEE
REPRESENTATIVE JOANN FLOWER, CHAIR
REGARDING S.B. 164
MARCH 9, 1995**

Good morning! My name is Myron Schmidt, and I milk 140 cows and farm 800 acres near Goessel, Kansas. I'm presently serving on the National Dairy Promotion and Research Board.

It gives me great honor to be addressing you in favor of S.B. 164. The following are the top 10 reasons why the dairy farmers should have a commission to fund programs.

10. Animal rights - Activists want them. We too want to insure that our animals are well-cared for, and a commission can help in conveying animal care messages to consumers.

9. Water quality - If I can't drink it why should you. A commission will help inform and educate dairymen in water use technology.

8. Waste management - No manure is properly disposed manure. In this environmental area also, dairymen must be prepared to meet challenges with technology and efficient management.

7. Milk quality - It does the body good. A commission can assist in providing nutritional information to consumers.

6. Dairy inspection - Cleanliness is consumers' delight. Again, the commission has an important role in producer education.

5. Child nutrition - An undernourished child creates an unhealthy child. Child nutrition information and education will be a vital role for the commission.

4. School lunch and breakfast programs - Food stimulates smarts. The commission can assist in providing information and encouraging these child nutrition programs on the state level.

3. Educational opportunities in 4-H and FFA - Dairy education breeds future dairy leaders.

2. Tells the dairy story - If they don't know, the commission does. The commission will be a source of factual information for media, consumers and policymakers.

1. It's a perfect link - Dairymen, consumers and government leaders need positive communications.

Why should I as a dairy farmer want another assessment on my milk? In an article in the January 23, 1995, issue of Newsweek, entitled "Listen Up, Urban Dolts", Congressman Pat Roberts wants a word with "agriculture know-nothings". He says "only farm programs have declined an average of 9 percent annually since 1985 and are going to go on declining." He goes

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on to say the Department of Agriculture estimate outlays for fiscal 1995 - \$62.3 billion - are barely 4 percent of the federal budget. Just 16 percent of that 4 percent - 0.6% of federal outlays - go for commodities programs. Since 1985, the dairy program has been basically funded by dairy producers. Most ag outlays - 63% - are for food stamps and other nutrition programs.

The article continues on, "Today, the world's farmers are feeding twice as many people as in 1950 and are doing so with virtually the same amount of cultivated land - 5.8 million square miles, a plot the size of South America." In that same amount of times, dairy cow numbers have been cut in half and yet we have more milk than in 1950.

The article goes on - "And what do America's farmers get for all the good they have done and are doing?" Pat Roberts states "Farmers have to survive locust-like swarms of environmental bureaucrats who try to seize the farmers' property by designating it as protected wetlands. And farmers are punished by capital gains tax that ruins their retirements when they try to sell their farms to their sons or daughters."

The article pretty well explains my previous question. If farmers don't chart their course of strategy and educational information into the next century, then we are not doing our duty as citizens of Kansas and the USA. Much of the population doesn't care if the farmer survives as long as their mouths are full. Profitability on the farm is slim to none. You may ask, then why do it? Because I get a satisfaction of contributing to society something that creates jobs for others, seeing people laugh and feeling content while the food is entering their mouths.

The Kansas Dairy Commission has the ability to educate, communicate and contribute to a society with a lack of understanding of agriculture. The USA was born and became strong with agriculture and will die with a lack of it.

I ask for your support of Senate Bill 164.

STATEMENT OF MARK HARDISON, FARMLAND INDUSTRIES
BEFORE THE HOUSE AGRICULTURE COMMITTEE
REGARDING S.B. 164
MARCH 9, 1995

Madam Chair and Members of the Committee, I am Mark Hardison, Dairy Consultant for Farmland Industries, based in Mulvane, Kansas. Thank you for the opportunity to speak on behalf of S.B. 164, which would establish the Kansas Dairy Commission.

The number of dairy farms in Kansas has declined dramatically, and if dairy producers in business today are to continue to be in business in the future, producer educational programs are vital. Farmland Industries recognizes that production and agribusiness are interdependent, and we are doing all we can to assist producers in meeting today's challenges and keeping their businesses strong. As a result, we have assisted with numerous educational programs for dairymen. More educational efforts are needed in the future.

Representatives, I believe the Kansas Dairy Commission will allow producers to help themselves by providing funding for additional educational opportunities, enabling them to meet environmental, regulatory, and technological challenges. It will also give them a means of providing positive dairy information to Kansas consumers, youth, media and other groups. It will support programs to develop dairy industry professionals of tomorrow and to assure a strong industry for those young people's futures.

I hope you will support S.B. 164. Thank you for your time and consideration.

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Attachment 5
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To: House Agriculture Committee

From: Mike Currie
President, Heart of American D.H.I.A.

Re: Senate Bill 164

I am respectfully submitting this written testimony strongly urging the passage of Senate Bill 164. As a dairyman from Saline County, and President of Heart of America Dairy Herd Improvement Association, I am concerned about the future of our industry.

The dairy industry in Kansas has been experiencing a gradual decline in numbers for several years. Recently, however, the decline has dramatically escalated, eroding the memberships of long standing dairy organizations within the state. The dairymen of Kansas are realizing the importance of a strong and united voice to speak to the issues that affect our industry, now that we are becoming fewer. The Kansas Dairy Herd Improvement Association had been the organization that somewhat provided the structure and format for the exchange of ideas and information from the grassroots level. However, K.D.H.I.A. has recently merged with six other state D.H.I.A.'s to form a regional Heart of America D.H.I.A. While this move by K.D.H.I.A. was needed to ensure the survival and quality of that organization, it has left Kansas dairymen with a need for a commission to support our industry. Research, information, and education are paramount for the survival of any business. Senate Bill 164 would allow the framework to create an organization in which the dairymen of Kansas, large and small, could come together to support programs which will positively affect our livelihood.

In this day and age of governmental bailouts and handouts, I hope you find it refreshing that we are not asking for anything more than permission for a vehicle in which we may start helping ourselves. We anxiously await passage of Senate Bill 164.

Respectfully Yours,



Michael R. Currie

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