

Approved: 2/23/95
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson David Corbin at 10:00 a.m. on February 20, 1995 in Room 423-S of the Capitol.

All members were present except: Quorum was present.

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

Conferees appearing before the committee:

Chris Wilson, Kansas Dairy Association
Allen Schmidt, Kansas Dairy Association
Dennis Metz, Kansas Dairy Association
Myron Schmidt, National Dairy Research and Production Board
Mark Hardison, Farmland Industries
Janet McPherson, Executive Secretary, Heart of America Dairy Herd Improvement Association
Jeff Ebert, St. George, KS.
Rich McKee, Kansas Livestock Association

Others attending: See attached list

The minutes of the February 15 meeting were distributed. Senator Sallee moved to adopt the minute. Senator Steffes seconded the motion. The motion carried.

Chairperson Corbin opened the hearing on **SB 164** - **Creating the Kansas Dairy Commission.**

Chris Wilson testified in support of the **SB 164**. The legislation was patterned off of the Kansas Sheep Council Statutes. The Commission would provide for self-help programs for producers and it involves no tax money (Attachment 1). Ms. Wilson responded to questions regarding the makeup of the proposed commission.

Allen Schmidt supported **SB 164**. He said the legislation would help the Kansas Dairy Industry to meet the challenges of the future of both producers and consumers (Attachment 2).

Dennis Metz testified in support of the bill as it would be a way for them to help themselves and to focus on dairy industry research, education and information specific to Kansas (Attachment 3). Mr. Metz responded to questions on why they chose to model their program after the Kansas Sheep Council.

Chris Wilson responded to questions regarding the membership of the commission and who would be in charge of the funds and expenditures.

Myron Schmidt testified in support of **SB 164**. His testimony lists ten reasons for supporting the proposal (Attachment 4).

Mark Hardison stated he supported **SB 164** as it would allow them to help themselves by providing funding for educational programs, provide dairy information for Kansas consumers and support programs to develop the dairy industry now and in the future (Attachment 5).

Janet McPherson read the testimony submitted by Mike Currie, President, Heart of American Dairy Herd Improvement Association. His testimony states that **SB 164** would allow the framework to create an organization in which the dairymen of Kansas could come together to support programs which will positively

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE, Room 423-S Statehouse, at 10:00 a.m. on February 20, 1995.

affect their livelihood (Attachment 6). Ms. McPherson responded to questions

The hearing on **SB 164** was closed.

The Chairperson opened the hearing on **SB 260 - relating to the Kansas Sheep Council**.

Jeff Ebert testified in support of **SB 260**. He stated in order for the Kansas Sheep Council to continue after the national sheep checkoff is instituted it would be necessary to repeal K.S.A. 47-2008. As the National legislation was not drafted with a clause to grandfather in the states legislation.

Rich McKee testified in support of **SB 260**, as the passage of this bill will allow this self-help program to continue (Attachment 7).

The hearing on **SB 260** was closed. Committee discussion was opened. Senator Morris moved to report favorably for passage **SB 260**. Senator Sallee seconded the motion. The motion carried.

Committee discussion was opened on **SB 164**.

Senator Steffes moved to report **SB 164** favorably for passage. Senator Downey seconded the motion.

Discussion followed. A motion was made by Senator Steffes to amend the bill to read one member shall be elected from each of the Dairy Herd Improvement Association Districts. Senator Sallee seconded the motion. The motion carried. Senator Steffes amended his motion to report **SB 164** as amended favorably for passage, the second agreed. Discussion followed on whether there was a need for the two separate entities for the dairy business, and what was the purpose of each group. The conferees felt there definitely was a need for two entities and that they served completely different functions. The people that would serve on the Dairy Commission were all producers. Due to time restrains the committee adjourned at 11:02 a.m., with the motion still on the floor.

The next meeting is scheduled for February 21, 1995.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: 2/20/95

NAME	REPRESENTING
Ted Powers	Rep # 81
Allen C. Schmidt	Ks Dairy Assoc
Janet Bailey McPherson	Ks Dairy Assn/Heart of America
Myron D. Schmitt	Dairy Producers
Paul Hunter	Ks. Dairymen
Mark Halow	Kansas Dairy Ass'n / Farmland Fed.
Dennis Metz	Ks Dairymen
Donald Snodgrass	Ks Food Dealers Assn.
Melvin Bruce	Ks Dept of Ag
M. E. Grosdidier	Ks DAIRY ASSOCIATION
Leiter Durdick	Ks Dairy Association
Walter Burgess	Ks Dairy Association
Kara Biebel	Governor's Office
David W. Snyder	Ks Dept of Ag
Jeff Ebert	Kansas Sheep Assn.
Chris Wilson	Ks Dairy Ass'n
Joe Lieber	K.S. Co-op Council
Russ Frey	Frey Jersey Farm
Steve Neill	ASSOC MILK PRODUCERS FNC

84/A

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: 2/20/95

NAME	REPRESENTING
Freeman Victory	
BROC YAKEL	
Elden Austin	KUMA
Greg Krusch	KS Dept of Ag
Arden Holme	Division of Budget

**STATEMENT OF THE
KANSAS DAIRY ASSOCIATION
TO THE SENATE AGRICULTURE COMMITTEE
SENATOR DAVID CORBIN, CHAIR
REGARDING S.B. 164, ESTABLISHING THE KS DAIRY COMMISSION
FEBRUARY 20, 1995**

Chairman Corbin and Senators 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 agreeing to introduce this legislation and acknowledge our appreciation to your excellent staff who prepared the bill. This legislation is based on the model which this Committee 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.

There is one amendment which is needed, beginning on page 1 of the bill, line 43. There are currently four, rather than six, Dairy Herd Improvement Association districts. So we suggest modifying the language to "One member shall be elected from each of the four dairy herd improvement association districts and three members shall be elected at large."

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

####

*Senate Ag. Co.
2-20-95
attachment 1*

STATEMENT OF THE
KANSAS DAIRY ASSOCIATION
TO THE SENATE AGRICULTURE COMMITTEE
SENATOR DAVID CORBIN
REGARDING S. B. 164
FEBRUARY 20, 1995

Mr. Chairman and members of the Senate Agriculture Committee:

I am Allen Schmidt, a dairyman from Hays, KS and Chairman of the Kansas Dairy Association. My family operates a 3rd generation dairy farm north of Hays. We milk about 50 registered Holsteins and raise all of our replacement calves. I am also full-time military in the United States Army Reserves serving as the Executive Officer of the 388th Medical Battalion in Hays. Both careers dairy and military are challenging and fulfilling to me, but the military job is only temporary. My real career lies with the dairy where my wife and I desire to raise and educate our children.

I have been involved with the effort to establish a Kansas dairy producer organization for several years. Many other states have had such organizations for years. Kansas dairy farmers have never had such an organization. We have primarily relied on our milk Cooperatives to be our voice on issues of concern and to represent us with organizations, such as the Kansas Agriculture Alliance. However as the industry changes and production becomes more regional, the large milk Cooperatives focus more of their attention on regional and national issues. The Kansas Dairy Herd Improvement Association which represented about half of Kansas dairy farmers has also gone regional joining a six state organization called Heart of America DHIA. Only the Kansas State University Extension remains to service 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.

Maybe we are twenty years late, but it is still 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 here in Kansas has become the focus of national attention because of 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.

*Senate Ag. Co
2-20-95
attachment 2*

I commend you on your willingness and timing in hearing this issue. 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 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. A Dairy commission established through this legislation and funded by dairy farmers will allow us to stand a little taller, better informed, more united and better able to make decisions and respond to 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.

In the past few years we have witnessed dramatic changes at the national level, the effect of which cannot yet be fully predicted for agriculture. GATT, NAFTA, loss of section 22 quotas and shift of congressional power are just a few. These along with 1995 farm bill changes and market order changes will undoubtedly affect us in some way. A Dairy Commission will help lead us and inform you of necessary adjustments. As important and necessary as they are to us, the major coops react on a regional and national basis. At times it is as if we are the wagging tail of a dragon. Kansas producers are splintered between 2 major COOPs and several processors. The Kansas dairy voice is absorbed in these larger organizations. An example is the closing of membership to new dairies in Kansas. It took only 4 months to close membership in Kansas by a large COOP, while it took 4 years to close membership by the same COOP in New Mexico. Closing membership does not address potential problems. It is a stop gap reaction which does not address the issue.

The way to respond to challenge is not to face the other direction, deny the development or act unilaterally. If my 17 years of military service have taught me anything it is the importance of defining the objective, stating the goals and unifying the team with available resources to accomplish the mission. Our goals are several: 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, organization and unity among others. We must become involved with departments of Agriculture, commerce, Health and environment, Cooperatives, processors, investors, promoters and others who have a stake in the developments. That way we chart the course that is progressive and in the best interest of all parties involved.

Mr. Chairman and members of the committee, your endorsement of our efforts to establish a dairy commission through S.B.164 and your efforts in helping gain final legislation are critical to our ability as the Kansas dairy industry to meet the challenges of the present and the future that are sure to impact on 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. Without it we continue to rely on others outside our state for decisions- with it you provide us an opportunity to better represent ourselves. Thank you

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

February 20, 1995

Chairman Corbin 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.

*Senate Ag. Co.
2-20-95
Attachment 3*

**STATEMENT OF MYRON SCHMIDT
TO THE SENATE AGRICULTURE COMMITTEE
SENATOR DAVID CORBIN, CHAIR
REGARDING S.B. 164
FEBRUARY 20, 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

*Senate Ag. Co.
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Attachment 4*

declined an average of 9 percent annually since 1985 and are going to go on declining." He goes 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 SENATE AGRICULTURE COMMITTEE
REGARDING S.B. 164
FEBRUARY 20, 1995

Chairman Corbin 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.

Senators, 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.

*Senate Ag Co
2-20-95
Attachment 5*

Janet McPherson
Executive Secretary
K.D.H.I.A.

To: Senate 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

Michael R. Currie

*Senate Ag Co
2-20-95
Attachment 6*



*A Century of Service
1894-1994*

**Statement
of the
Kansas Livestock Association**

to the

Senate Agriculture Committee

Senator David Corbin, Chairman

with respect to

Senate Bill 260

Kansas Sheep Council

presented by

**Rich McKee
Executive Secretary, Feedlot Division
Kansas Livestock Association**

February 20, 1995

The Kansas Livestock Association (KLA) is a statewide association with a membership of approximately 7,000 members. These members are generally involved in some aspect of livestock production, including cattle, swine and sheep production.

The Kansas Livestock Association supports Senate Bill 260. During the KLA convention in December, 1994, the KLA Sheep Committee recommended to the full membership that the state checkoff be allowed to continue after, the national sheep checkoff was instituted. In order for this to occur, K.S.A. 47-2008 must be repealed.

Attached for your interest are copies of the statutes pertaining to the Kansas Sheep Council. This council invests producer funds collected through the checkoff for the purpose of promoting sheep and wool products, funding research for potential new products and for educational purposes.

The passage of this bill will allow this self-help program to continue. We respectfully request your support for Senate Bill 260. Thank you!

*Senate Ag Co
2-20-95
Attachment 7*

History: L. 1992, ch. 102, § 10; July 1.

47-1903. Aquaculture advisory council; members, officers, compensation. (a) There is hereby created the aquaculture advisory council consisting of 12 members as follows:

(1) A member of the house of representatives and a member of the senate appointed by the legislative coordinating council, and such members shall be from different political parties;

(2) the dean of the college of agriculture at Kansas state university or the dean's designee;

(3) the secretary of the state board of agriculture, or the secretary's designee;

(4) the secretary of commerce, or the secretary's designee;

(5) the secretary of wildlife and parks, or the secretary's designee;

(6) six citizens of Kansas, representing aquaculture producers and a variety of processing interests and including at least one person having recognized expertise in the marketing of aquaculture products, who shall be appointed by the secretary of the state board of agriculture.

(b) The members of the advisory council appointed under subsection (a)(1) shall be appointed for a term ending on the day preceding the commencement of the regular session of the legislature in the first odd-numbered year following appointment. The members of the advisory council appointed by the secretary under subsection (a)(6) shall be appointed for terms as follows: (1) Three members shall be appointed for terms ending on June 30, 1993, and (2) three members shall be appointed for terms ending on June 30, 1994. After the expiration of the initial terms of such members appointed by the secretary, members shall be appointed by the secretary for terms of two years. All vacancies in the office of appointed members shall be filled by appointment by the officer or council making the original appointment for the remainder of the unexpired term of the member creating the vacancy.

(c) The advisory council shall organize annually by the election from its membership of a chairperson and a vice-chairperson. The advisory council shall adopt such rules of procedure as it deems necessary for conducting its business.

(d) The members of the advisory council shall be paid subsistence allowance, mileage and other expenses for attendance at meetings of the leadership council, or subcommittee meetings thereof authorized by the council, as

provided in K.S.A. 75-3223, and amendments thereto.

History: L. 1992, ch. 102, § 11; L. 1993, ch. 53, § 1; July 1.

47-1904. Same; duties, powers. The aquaculture advisory council shall have the following duties, authorities and powers to:

(a) Advise the state board of agriculture and other state agencies on the aquaculture industry problems and needs;

(b) determine and recommend specific research priorities;

(c) publish an annual report on the status of the aquaculture industry in the state;

(d) assist the state board of agriculture in updating and modifying the state aquaculture plan; and

(e) advise the state board of agriculture in support of aquaculture.

History: L. 1992, ch. 102, § 12; July 1.

47-1905. Aquaculture fund. (a) There is hereby created in the state treasury the aquaculture fund. Such fund shall be used to receive and expend donations and grants to fund research in aquaculture and to promote and market aquaculture and aquaculture products in the state of Kansas.

(b) All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of the state board of agriculture or by a person or persons designated by the secretary.

History: L. 1992, ch. 102, § 13; L. 1993, ch. 53, § 2; July 1.

Article 20.—KANSAS SHEEP COUNCIL

47-2001. Definitions. As used in this act:

(a) "Council" means the Kansas sheep council.

(b) "Purchaser" means any person, public or private corporation, association or partnership who buys sheep or wool from the seller or acts as an agent for the sale or slaughter transaction.

(c) "Producer" means a person who is actively engaged within this state in the business of producing or marketing sheep or wool and who receives income from the production of sheep or wool.

(d) "Sale" or "sold" means a transaction in which the property in or to sheep or wool is

transferred from the seller to a purchaser for full or partial consideration.

(e) "Secretary" means the secretary of the state board of agriculture.

(f) "Sheep" means an animal of the ovine species, produced, fed, slaughtered or marketed in this state.

(g) "Wool" means the natural fiber produced by sheep.

(h) "Seller" means any private entity or corporation that sells sheep or wool.

History: L. 1992, ch. 275, § 1; July 1.

47-2002. Kansas sheep council; members, officers, compensation. (a) There is hereby created the Kansas sheep council.

(b) The council shall consist of seven members who will be elected at the annual meeting of the Kansas sheep association. The board of directors of the Kansas sheep association shall act as interim council members until council members can be elected and qualified. Vacancies which may occur shall be filled for unexpired terms by the board of directors of the Kansas sheep association from among the producers of the state. Each council member appointed on and after the effective date of this act, other than a council member appointed to fill a vacancy for an unexpired term, shall be elected for a term of four years except that three of the council members first elected on and after the effective date of this act shall be elected for a term of two years. No member may serve more than one consecutive term. Upon the expiration of a term of a member of the council, such member shall continue to serve as a member of the council until a successor to such member is elected and qualified.

(c) Members of the council shall be residents of this state and have been an active producer in this state for at least five years immediately preceding their appointment. Of such members, two members shall be lamb feeders, two members shall have ewe flocks, one member shall produce purebred sheep and two members shall be from producers at large. The selections shall be made from nominations for each respective position by each respective producer group. The elections will be held at an open session to all sheep producers at the annual meeting of the Kansas sheep association.

(d) The dean of the college of agriculture of Kansas state university or the dean's representative and the secretary or the secretary's

designee shall serve as ex officio nonvoting members of the board.

(e) The council shall annually elect a chairperson from its membership.

(f) A member of the council may cease to hold such member's position on the council for any of the following reasons, at the discretion of a majority of the council, upon resolution duly adopted by the council dismissing such member: (1) Failure to attend two or more regular meetings of the council; or (2) ceasing to be a producer.

(g) Members of the Kansas sheep council attending meetings of such council, or attending a subcommittee meeting authorized by such council, shall be paid compensation and other expenses.

(h) The council shall meet at least once every calendar quarter regularly and hold an annual meeting which shall be open to the public. The day, time and place of each meeting shall be determined by the council. The chairperson or any three members of the council may call special meetings of the council upon such notice as may be prescribed by the duly adopted rules and regulations of the council.

History: L. 1992, ch. 275, § 2; July 1.

47-2003. Same; powers and duties. In the administration of this act, the council shall have the following duties, authorities and powers:

(a) To conduct a campaign of market development, through research, education and promotion;

(b) to find new markets for sheep and wool, or their products;

(c) to accept grants and donations;

(d) to sue and be sued;

(e) to enter into such contracts as may be necessary or advisable for the purpose of this act;

(f) to appoint an administrator who is knowledgeable about the sheep industry and fix the compensation. With the approval of the council, the administrator may appoint such other personnel as is needed;

(g) to cooperate or contract with any local, state or national organization or agency, whether voluntary or created by the law of any state, or by national law, engaged in work or activities similar to the work and activities of the council, and to enter into contracts and agreements with such organizations or agencies

for carrying on a joint campaign of research, education and promotion;

(h) to establish an office of the administrator at any place in this state the council may select;

(i) to adopt, rescind, modify and amend all necessary and proper orders, resolutions and rules and regulations for the procedure and exercise of its powers and the performance of its duties; and

(j) to approve an annual budget and establish a reserve. Each market research project budgeted and approved by the council shall include a stated objective and anticipated results. In the council's annual report to the industry, the council shall include those objectives and actual results.

History: L. 1992, ch. 275, § 3; July 1.

47-2004. Assessment; receipts, refunds.

(a) An assessment to be set by the council at not more than \$.02 for each pound of wool produced and sold by a seller and not more than \$.35 per head for each sale transaction or slaughter transaction for each sheep of all classes shall be imposed on the seller at the time of delivery of the wool or sheep to the purchaser who will deduct the assessment from the price paid to the seller at the time of sale. If the seller sells, ships, or otherwise disposes of wool or sheep to a purchaser or other person outside the state of Kansas, the seller shall deduct the assessment from the amount received from the sale. Any sheep owned less than 30 days or any sheep less than 30 days of age shall be exempt from such assessment.

(b) The council shall not change the assessment rate, either to increase or reduce, more than once a year. The administrator shall furnish to every purchaser receipt forms which shall be issued by such purchaser to the seller upon payment of such assessment. The form shall indicate thereon the procedure by which the seller may obtain a refund of any such assessment, except a refund shall not be issued unless the amount of the refund is \$5 or more. Within one year after any and all sales during such period the seller, upon submission of a request therefor to the administrator, may obtain such refund in the amount of the assessment deducted by the purchaser. Such request shall be accompanied by evidence of the payment of the assessment which need not be verified.

(c) The council shall keep complete records of all refunds made under the provisions of

this section. Records of refunds may be destroyed two years after the refund is made. All funds expended in the administration of this act and for the payment of all claims whatsoever growing out of the performance of any duties or activities pursuant to this act shall be paid from the proceeds derived from such act. In the case of a lien holder who is a first purchaser as defined herein, the assessment shall be deducted by the lien holder from the proceeds of the claim secured by such lien at the time the sheep or wool, or their products, is pledged or mortgaged. The assessment shall constitute a preferred lien and shall have priority over all other liens and encumbrances upon such sheep or wool, or their products. The assessment shall be deducted and paid as herein provided whether such sheep or wool, or their products, is in this or any other state.

History: L. 1992, ch. 275, § 4; July 1.

47-2005. Collection and disbursement of assessment. (a) The council shall negotiate and contract with a person or persons to collect and disburse the assessments pursuant to this act.

(b) The assessment hereby imposed, on or before the 20th day of the calendar month following the date of settlement, shall be paid by the purchaser or seller who sells out of state to such person or persons. The person or persons shall issue a receipt to the purchaser or seller therefor and shall remit all moneys received in payment of such assessment to a bank account at least monthly.

(c) Each bank account for use in operating and conducting the council's duties shall be secured by pledge of securities in the manner prescribed for state bank accounts under K.S.A. 75-4218, and amendments thereto or if such bank account is in an institution outside the state of Kansas, the institution shall be licensed by a state or the federal government.

(d) All money collected pursuant to K.S.A. 47-2004 shall be expended in the administration of this act, and for the payment of claims based upon obligations incurred in the performance of the activities and functions set forth in this act, and for no other purpose.

History: L. 1992, ch. 275, § 5; July 1.

47-2006. Lien; foreclosure. If the assessment is not deducted and paid to the person or persons as provided in K.S.A. 47-2005, or within 10 days thereafter, such lien, within one year after the expiration of such 10-day period, may be foreclosed by action in any

court having jurisdiction in the county in which such sheep or wool, or their products, was sold, or in which such sheep or wool, or their products, may be found, or in which such sheep or wool, or their products, shall have been commingled with other sheep or wool, or their products.

History: L. 1992, ch. 275, § 6; July 1.

47-2007. Penalties. Any person who shall violate any of the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than \$25 nor more than \$500 or by imprisonment in the county jail for not less than 30 nor more than 90 days, or by both such fine and imprisonment.

History: L. 1992, ch. 275, § 7; July 1.

47-2008. National checkoff program for sheep or wool. (a) No assessments for sheep or wool, or their products shall be collected pursuant to this act while the national checkoff program for sheep or wool, or their products, remain in effect. Collections of assessments pursuant to this act shall be reinstated upon the withdrawal of the national checkoff program for sheep or wool, or their products.

(b) The Kansas sheep council shall have the ability to pay and transfer portions of the assessments collected pursuant to the national checkoff program for sheep or wool, or their products, to the national board as required.

History: L. 1992, ch. 275, § 8; July 1.

Article 21.—DOMESTICATED DEER

47-2101. Raising domesticated deer; unlawful acts; permit; identification of deer; inspection of premises; communications with wildlife and parks; definitions. (a) It shall be unlawful for any person to engage in the business of raising domesticated deer unless such person has obtained from the livestock commissioner a domesticated deer permit. Application for such permit shall be made in writing on a form provided by the commissioner. The permit period shall be for the permit year ending on June 30 following the issuance date.

(b) Each application for issuance or renewal of a permit shall be accompanied by a fee of not more than \$100 as established by the commissioner in rules and regulations.

(c) The livestock commissioner shall adopt any rules and regulations necessary to enforce this section.

(d) Any person who fails to obtain a permit as prescribed in section (a) shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding \$100. Continued operation, after a conviction, shall constitute a separate offense for each day of operation.

(e) The commissioner may refuse to issue or renew or may suspend or revoke any permit for any one of the following reasons:

(1) Material misstatement in the application for the original permit or in the application for any renewal of a permit;

(2) the conviction of any crime, an essential element of which is misstatement, fraud or dishonesty, or relating to the theft of or cruelty to animals;

(3) substantial misrepresentation;

(4) the person who is issued a permit is found to be adding to such person's herd by poaching or illegally obtaining deer;

(5) willful disregard to any rule or regulation adopted under this section.

(f) Any refusal to issue or renew a permit and any suspension or revocation of a permit under this section shall be in accordance with the provisions of the Kansas administrative procedure act and shall be subject to review in accordance with the act for judicial review and civil enforcement of agency actions.

(g) Domesticated deer shall be identified through implantation of microchips, ear tags, ear tattoos, ear notches or any other permanent identification on such deer as to identify such deer as domesticated deer. Any person who receives a permit issued pursuant to subsection (a) shall keep records of the deer herd pursuant to rules and regulations.

(h) The livestock commissioner shall inspect any premises where a domesticated deer herd has been issued a permit upon receipt of a written, signed complaint that such premises is not being operated, managed or maintained in accordance with rules and regulations.

(i) The livestock commissioner, on a quarterly basis, shall transmit to the secretary of wildlife and parks a current list of persons issued a permit pursuant to this section.

(j) All moneys received under this section shall be remitted to the state treasurer at least monthly. Upon receipt of any such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury and the same shall be credited to the animal disease control fund.

(k) As used in this section: