

Approved: 2-12-96
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 6, 1996 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:
Dan Herrman, Division of Budget, Governor's Office
Gordon Lormor, Kansas Value Added Center (KVAC)

Others attending: See attached list

A motion was made by Senator Sallee to adopt the minutes of February 5. The motion was seconded by Senator Clark. Motion carried.

Kevin Carr provided the information Senator Karr requested from KTEC, it was distributed. KTEC applied research matching fund: agriculture-related projects (Attachment 1); and a list of projects, their description and dollar amounts (Attachment 2)

Staff explained the procedure for handling an ERO, committee discussion followed. The Chairperson instructed staff to draw up a Senate Resolution rejecting the ERO.

Chairperson Corbin opened the discussion on **SB 507**. The Committee discussed various testimony they received, and several members expressed concerns that the agricultural value added programs continue to receive prominence regardless of where it is placed. Dan Herrman responded to questions concerning the funding for KVAC. Gordon Lormar responded to questions about KVAC.

Chairperson Corbin said he would suggest a transfer of the powers and duties of the value added center and powers and duties and functions related to the division of marketing of the Department of Agriculture to the Department of Commerce and Housing and establish a five member Agricultural Advisory Board appointed by the Governor as follows, one member shall be a representative of the Kansas Rural Center, one member shall be a representative of Kansas State, one member shall be a county economic development director, and two members shall be representative of agri-business community. Senator Sallee said for discussion purposes, he would move to make that into the form of an amendment. Senator Tillotson seconded the motion. Discussion followed on the amendment. Staff was instructed to draft a balloon of the amendment for review at a future meeting.

The meeting adjourned at 10:56 a.m. The next meeting is scheduled for February 8, 1996.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: for February 6, 1996

NAME	REPRESENTING
Matt L. Theurer	KLA
Dan R. Schweizer	KLA
Paul Jensen	KLA
Jim Sch	KLA
GREG KRISSEK	KS Dept of Ag
Tony Blumner	KLA
Chris Brown	KLA
Tom Muhulle	KLA
Dan Wick	KLA
Mark Dorce (ina)	KLA
SKIM HANNEY	KLA
Dee [Signature]	KLA
John Shoemaker	Senate President's Office
Chris Wilson	KVMA
Cindy Diehl	KTEC
Kevin Carr	"
Sherry S. [Signature]	Ind. Ag.
Deborah [Signature]	KVAC
Gordon [Signature]	KVAC

KTEC Applied Research Matching Fund: Agriculture-Related Projects

2-6-95

I. FY88-FY91 (Grants, no repayment obligation)

(Projects funded in more than one phase are grouped in this report)

<i>Industry Sponsor</i>	<i>Location</i>	<i>Product</i>	<i>State \$</i>	<i>Match \$</i>
Osborne Industries \$1,006,000 sales in FY95; project \$2,000,000 FY96.	Osborne	Ventilation fans-livestock buildings	\$18,000	\$27,000
Osborne Industries \$300,000 sales in FY95; project \$450,000 in FY96.	Osborne	Computerized feeding equipment	9,980	14,970
Ks.Wheat Comm. Created new class of wheat with significant value-added potential.	Manhattan	Hard white winter wheat - genetics	388,000	711,145
American White Wheat \$850,000 sales of value-added products in FY95; project \$2,000,000 FY96.	Atchison	Delivery system for hard white ww	92,467	158,800
Hay and Forage Industries Completed. Technology failed to lead to significant competitive advantage. No product was commercialized.	Hesston	Continuous-feed round baler	9,332	17,731
Agri-Technology Technology purchased by major manufacturer. Development will take two more years, in Winfield. Opportunity for Kansas component and/or major assembly facility.	Winfield	Bi-rotor combine	70,350	111,276
Fuel, Inc. \$400,000 sales FY95; project \$800,000 FY96.	Hugoton	Ozone generator/feedlots	3,969	5,954
K-VET Research failed to produce product with competitive features.	Washington	Bioresorbable clip	9,960	14,940
Biocore Highly successful. \$4 million sales FY95; major increase projected FY96.	Topeka	Pharmaceuticals	39,833	71,250
Aquaculture Engineering Terminated during development, failed to achieve critical milestone. \$14,108 of \$97,500 was spent, remainder returned to the fund.	Shawnee	Indoor aquaculture system	14,108	34,771

Senate Ag Co.
2-6-96

Attachment 1 1-1

II. FY92-FY96 (Repayment required on commercially successful projects)

*Royalties received to date from these projects = \$169,877

American Water Purific.	Wichita	Ozone control salmonella	34,115	52,749
Completed, installed prototype systems in meat and seafood processing plants, awaiting FDA approval. Anticipate commercialization within a year.				
Briggs Mfg.	Minneapolis	Mobile spraying equipment	14,926	23,760
Completed, product available, slow acceptance in marketplace.				
Agri-Technology (see above)	Winfield	Bi-rotor combine	120,000	211,000
Biocore	Topeka	Sorbent materials	100,000	243,700
Still in research stage; two years to commercialization. Good prospect for success.				
Innovative Materials Sys.	Olathe	Pond sediment removal equipment	14,880	22,745
Completed; failed to develop significant competitive features and will not be commercialized.				
AgriPro Biosciences	Shawnee	Wheat genetics	23,000	34,500
In process; long-term project.				
Midwest Biofuels	Overland Pk.	Tallow/grease based diesel fuel	100,000	218,917
Basic research completed; commercial opportunity still 2-3 years away.				
Crustbuster/SpeedKing	Dodge City	Cotton module feeder	84,000	159,908
Completed. \$3,000,000 sales in FY95; project \$3,500,000 in FY96.				
Agtech	Manhattan	Biogrid dish, embryo transfer	12,520	19,658
Completed, just coming to market. Sales modest.				
Moss Sales & Service	Salina	LiquiDry fertilizer applicator	84,000	132,089
Completed. FY95 sales \$150,000, project \$750,000 in FY96 and \$1.5mm in FY97. First venture of company into manufacturing.				
Osborne Industries (see above)	Osborne	Ventilation fans (final phase)	7,500	18,197
Xymax	Montrose	Construction materials/wheat-based	66,150	118,500 *
* Also received \$575,000 federal grant. In process. Difficulty overcoming major technical hurdles. KTEC withheld final 10% of funds.				

Crystal Plains Mfg.	Smith Center	Multi-purpose ranch vehicle	34,726	52,819
In process; receiving MAMTC design assistance.				
BioFoods	Oskaloosa	Protein food additives	80,000	131,600
Completed. Further technical (scale-up) next 6-9 months. Major market potential, 1997 full commercialization.				
Pelleting Concepts	Wichita	Expander-pelletizer (feed)	31,667	50,833
In process. Key demonstration of equipment this month at KSU. Client of Wichita Technology Corp.				
Total Applied Research Matching Fund			<hr/>	
			\$1,463,483	\$2,658,812

KVAC

PROJECT TITLE	PRINCIPLE CONTACT	DESCRIPTION	DOLLARS
COMMUNICATIONS			
93-19	KVAC ShortCourse	KS Organic Producers, Whiting	139
93-25	Travel Expenses for Value added specialists	Dr. Fadi Aramouni, KSU	2,365
94-01	FOCUS Publication & Nutritional labeling assistance.	Dr. Fadi Aramouni, KSU	18,000.00
94-15	Client Criteria Development	Linda Martin	6,000.00
94-19	Great Plains Bakers Association support	Value Added Specialists, KSU	2,500.00
94-29	Strategic Planning Retreat	KS Sampler Foundation, Inman	14,342.00
94-30	Western KS Dairy Recruit	Dr. Liz Boyle, KSU	5,000.00
94-31	Travel Assistance to Institute of Food Technologists meeting	F. Aramouni, KSU	23,500.00
95-02	Evaluation of distribution channel alternatives	Dodge City Development Corp. Dodge City	1,500.00
95-05	Bioprocess Tech Seminar	Natl. Assn of Wheat Growers	1,000.00
95-07	Wheat Utilization Summit:Building demand through new uses	Capper Coop Center, KSU	6,000.00
95-08	KVAC ShortCourse	Dr. Sheri Smithey, KSU	500.00
95-09	KS Organic Producers	Dr. Sheri Smithey, KSU	500.00
			TOTAL 81,346.75

FOOD USES DEVELOPMENT AWARDS			
93-01	Beef Curry	Sorelle Inc. & Boyle, KSU	1,500.00
93-03	Beef Offal Test Market Phase II	Flint Hills Foods, Inc., Alma	5,000.00
93-04	Use of Wheat Isolate in Phase II Diets	Midwest Grain Products, Atchison & Hancock, KSU	3,400.00
93-05	Evaluation of Spray Dried Wheat Gluten in Calf Starter rations	Midwest Grain Products, Atchison & Morrill, KSU	3,000.00
93-13	Focus Group Studies for White Wheat Pdts.	Sensory Analysis Center, KSU	2,450.00
93-14	Effects of a Microbial Food Additive on Digestibility in Dogs.	Hancock & Raub, KSU	6,200.00
93-15	Veal Patty Prototype development	Ranch Hand Foods, Inc, Edwardsville & Boyle, KSU	651.20
93-17	Evaluation of Soluble Wheat Protein as a Milk Replacer	Midwest Grain Products, Atchison & Morrill, KSU	6,930.00
93-21	Round Table Consumer , Evaluation Phase II	Dr. Edgar Chambers, KSU	19,100.00
93-22	Wheat Gluten & Starch Adhesive, Films, Coatings & Containers	Midwest Grain Products, Atchison	21,833.00
93-23	Sensory Analysis of Soy Milk Products	Dr. Edgar Chambers, KSU	1,000.00
93-24	Characterizing Low value bran of grains for use in low fat pdts	Dr. Carole Setser, KSU	12,000.00
93-26	The Evaluation of a Mold Inhibitor in Tortillas	Nutri-Shield, Shawnee Mission & AIB	2,500.00
93-27	Water Sorption of Alfalfa Cubes Coated with Nutri-shield III	Nutri-Shield, Shawnee Mission & Chung, KSU	2,250.00
93-28	Raw Material Control Study in meat processing facilities	Flint Hills Foods, Alma	27,000.00
93-29	Value Added Product Development for Luther's smokehouse	Martin Luther, Leroy & Boyle, KSU	1,556.00
93-30	Performance of flours milled on rice short mill vs KSU mills	Gary Gilbert, Clay Center & AIB	2,000.00
93-31	Microbiological Safety and shelf-life of tofu pdts	Central Soy Foods & Erickson, KSU	14,163.00
93-37	Research on Wet Milling of Grain Sorghum	Dr. Paul Seib, KSU	15,000.00
93-39	Wheat Starch Modification	Dr. Paul Seib, KSU	12,000.00
94-02	Lab Operations	Value Added Specialists, KSU	5,000.00
94-04	Apple Cider Testing	F. Aramouni, KSU	10,000.00
94-05	Wetta Egg Farm	Wetta Egg Farm, Andale & Aramouni, KSU	2,500.00
94-06	Dinah's Noodles	Dinah's Noodles Clyde & Aramouni, kSU	5,000.00
94-07	Prairie Thyme, Ltd.	Prairie Thyme Ltd. KC & Aramouni, KSU	2,500.00
94-08	Sa-Plez	Sa-Plez, Wichita & Aramouni, KSU	2,500.00
94-09	The Evaluation of a Mold inhibitor in various breads	Nutri Shield, Shawnee Mission & AIB	2,500.00
94-16	Low Cost Wet-Milling of Grain sorghum for accessible starch.	Dr. Paul Seib, KSU	15,750.00
94-17	Treatment of White Wheat Bran to improve breadmaking	Dr. Paul Seib, KSU	15,750.00
94-21	Preparation & Application of Edible Wheat Protein Coatings	Dr. Fadi Aramouni, KSU	6,500.00
94-22	Conversion of a Leather by-product into food uses.	M Jain, Biofoods, Topeka	52,000.00
94-23	Wheat as a Source of nonfunctional food protein.	Joe Ponte, KSU	15,750.00
94-24	Corn In-Bin drying & aeration with desiccant systems	RJS Enterprises, Prairie village & Chung, KSU	34,562.00
95-03	Sweetwater Bean Sprouts	David Ebberts, Quinter	9,420.00
95-04	Wheat Producer Survey	KS Wheat Commission	500.00
95-06	Blend of wheat gluten and spray dried plasma for nursery pigs.	Midwest Grains, Atchison	4,900.00
95-10	Restructured Ostrich Meats	Grenn Valley Meats, Clay Center	21,500.00
95-11	Corn Processing Commercialization	CloudCorp, Concordia	26,000.00
			TOTAL \$392,165.20

INDUSTRIAL USES DEVELOPMENT AWARDS			
93-16	Tallow-Based Biodiesel , Feasibility Analysis	Dr. Richard Nelson, KSU	3,000.00
93-32	Freeze Dried Peony Flower Evaluations	Dr. Karen Gast, KSU	2,000.00
93-40	Hide-Silicone Copolymer Interpenetrating poymer networks	Dr. John Schlup, KSU	10,000.00
94-03	Field Test Using Tallowate as substitute diesel fuel	R. Nelson, KSU	5,000.00
94-18	Wood Waste Utilization in Northeast Kansas	Dr. W.A. Geyer, KSU	1,000.00
95-01	Innovative Technologies for Agro-based composites	Meetech Corporation	15,953.00

Attachment 2
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95-12	Electroinsulating and conductive plastics based on castor oil.	Z.Petrovic, Pittsburg State	Develop basis for new uses for castor beans.	28,900.00
				TOTAL \$65,853.00
	STAFF SUPPORT			
93-07	Equipment Technologist	Dr. Fadi Aramouni, KSU	staff support for assisting clients	23,000.00
93-08	Equipment Technologist	Dr. Rolando Flores, KSU	Staff support for assisting clients.	16,000.00
93-09	Grain Science Extrusion Technologist, Phase IV	Dr. Paul Neumann, KSU	Staff support for extrusion laboratory .	15,000.00
93-10	Graduate Assistant for Labeling	Dr. Fadi Aramouni, KSU	staff support to publish newsletter and client support-	12,000.00
93-11	Graduate Assstantship	Dr. Elizabeth Boyle, KSU	Staff support for meat processor clients	12,000.00
93-12	Graduate Assistantship	Dr. Fadi Aramouni, KSU	Staff support for food clients.	12,000.00
93-35	Grad Assistantships	Dr. Sheri Smithey, KSU	Staff for engineering support.	20,200.00
93-38	White Wheat Bran Fiber Ingredient from White Wheat Bran	Dr. Paul Seib, KSU	Staff support for client use in grain science	12,000.00
94-11	FOCUS Publication & Nutritional and labeling assistance.	Dr. Fadi Aramouni, KSU	staff support to publish newsletter and client support-	26,600.00
94-12	KVAC Food Product Development and testing assistant	Dr. Fadi Aramouni, KSU	staff support to assist client to develop/test pdts.	28,200.00
94-13	Extrusion Center Staff Position	Dr. Richard Hahn, KSU	Support for staffing extruder facility.	18,000.00
94-14	KVAC Thermal Processing Lab/ wet grain processing lab mgr.	Dr. Do Sup Chung, KSU	staff support for thermal processing lab.	30,000.00
94-27	Meat Science Assistantship	Dr. Elizabeth Boyle, KSU	Staff support for meat processing clients.	10,500.00
94-28	Food Product Development assistantship	Dr. Fadi Aramouni, KSU	Staff support for food processing clients.	19,200.00
				TOTAL \$254,700.00
	EQUIPMENT PURCHASES			
93-18	Lab Operations	Value Added Specialists, KSU	Client use of pilot plant and labs.	5,000.00
93-33	Aerated Washout Sytems & washout basin for sprouting baskets	Maggie Riggs, Hutchinson	Provide equipment for sprout business	19,865.00
93-34	Equipment Purchase Request	KSU	Provide equipment to KSU facilities for client use.	80,000.00
93-36	Product Development Lab Technician	Dr. Fadi Aramouni, KSU	Equipment for use by KVAC clients.	27,000.00
94-10	Optical Image Analysis System	Dr. Elizabeth Boyle, KSU	Laboratory equipment for client use.	4,000.00
94-20	Wheat Gluten and Wheat Starch Based Adhesives & other uses.	Dr. Sukh Bassl, Midwest Grains, Atchison	Equipment for use in developing industrial uses of wheat gluten	81,150.00
94-25	Wet-Processing lab facility for wheat for food/non-food uses.	Dr. Do Sup Chung, KSU	Improve the KVAC pilot plant for clients.	35,300.00
94-26	Snack Food Processing Equipment	Dr. Fadi Aramouni, KSU	Equipment for seasoning, coating and tumbling of snack foods.	15,500.00
				TOTAL \$267,815.00

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