

Approved: 2-5-98
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Steve Morris at 10:00 a.m. on February 3, 1998 in Room 423-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee:

Bill Fuller, Associate Director, Public Affairs Division, Kansas Farm Bureau
Lori Robins, owner, Home On The Range & Co.
Ed Henry, Vice President, Kansas Marketing Association
Roy Seibert, President, Kansas Marketing Association

Others attending: See attached list

SB 505: **Repealing the sunset provisions of the Agriculture Products Development Division in the Department of Commerce and Housing.**

Bill Fuller, Associate Director, Public Affairs Division, Kansas Farm Bureau, testified in support of **SB 505 (Attachment 1)**. He stated at the Annual Meeting of Kansas Farm Bureau members developed and adopted a new policy that states they support the continuation of the State Agricultural marketing program and urge adequate funding for it.

Lori Robins, owner of Home On The Range & Co., appeared before the Committee to express her concerns about the lack of assistance available to new Kansas companies especially in comparison to previous years. She stated she feels the program has lost its continuity and prestige and would like to see it become an effective program again (**Attachment 2**).

Ed Henry, Vice President, Kansas Marketing Association, testified to his concern about the "From the Land of Kansas" Program (**Attachment 3**). He stated he felt the program had been stripped and did not seem to exist for a while, but recently staff has been working very hard with the resources they have. He stated the cooperation should be enlarged upon for the program to work effectively.

Roy Seibert, President, Kansas Marketing Association, made statements before the Committee concerning some misunderstandings with the "From the Land of Kansas" Program. He stated that the Kansas Marketing Association originated about five years ago but was not successful with people joining and attending meetings. About a year ago, began receiving telephone calls about the disappearance of the Program and at that point the Kansas Marketing Association became an organized group. He stated he feels there was a problem during the transition of the Program and that people lost confidence because of the lag in between. He said his main concern is the lack of funding for this Program.

Patty Clark, Division Director, Agriculture Products Development Division, Kansas Department of Commerce and Housing, provided a few answers in response to testimony and stated she would provide the Committee with documentation as to the total funding and application of such funds for the program.

Senator Corbin made a motion to approve the minutes of the January 28 meeting. Senator Clark seconded. Motion carried.

The next meeting is scheduled for February 4, 1998.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: 2-3-98

NAME	REPRESENTING
John Michael	
Carolyn Michael	Farm Bureau
Craig Ewy	Farm Bureau
Duane Sanders	Farm Bureau
Lori Robbins	Home On The Range Co.
Roy O. Segbert	Ks. Marketing Assn. (Pres)
Patty Clark	KDOC & H
Lee Mendenhall	KDOC & H
Alice Miller	Ks Farm Bureau
Evan L. Ellis	Kansas Farm Bureau
Lyrene Vasser	" " "
George Vasser	" " "
Rodger Wilson	" " "
Janice Fuller	" " "
Signe Barnes	" " "
Bill Fuller	Kansas Farm Bureau
Eta Allen	" " "
Bruce H. Galt	" " "
Phil Colby	beef co KFB



PUBLIC POLICY STATEMENT

SENATE COMMITTEE ON AGRICULTURE

SB 505 – Continuing the Agriculture Products Development Division

February 3, 1998
Topeka, Kansas

Prepared by:
Bill Fuller, Associate Director
Public Affairs Division
Kansas Farm Bureau

Chairman Morris and members of the Senate Committee on Agriculture, my name is Bill Fuller. I am the Associate Director of the Public Affairs Division for Kansas Farm Bureau.

SB 505 removes the "Sunset Provision" contained in K.S.A. 1997 Supplement 74-50,164 that would abolish the Agricultural Products Development Division on July 1, 1998.

Agriculture is the number 1 industry in Kansas. Marketing is essential for the industry's economic well-being. International Trade, Domestic Marketing, the Value-Added Program and the "From the Land of Kansas" trademark program are all important programs within the Agriculture Products Development Division. They all must continue to function, in fact we believe they should be enhanced.

Senate Agriculture
February 3, 1998
Attachment 1

We certainly appreciate this opportunity to express support for SB 505. The 435 Voting Delegates representing the 105 county Farm Bureaus at the 79th Annual Meeting of Kansas Farm Bureau developed and adopted new policy that states, "*We support continuation of the State Agricultural marketing program, and urge adequate funding for it.*" (See attachment for complete text of KFB "Marketing of Agricultural Products" resolution.)

We are impressed with the broad range of experiences and the commitment to agriculture that has been demonstrated by Patty Clark, Director of the Agriculture Products Development Division. While significant progress has been accomplished with this young program, we believe even more can be achieved to benefit Kansas producers. We pledge our support in acquiring the needed resources to develop even more aggressive marketing initiatives. This support and cooperation will not only enhance the incomes of our agricultural producers, but will contribute to the continuation of a strong and growing Kansas economy.

Thank you for allowing Kansas Farm Bureau to express support for SB 505. We are available to respond to any questions.

Marketing of Agricultural Products

AG-15

Promotion and timely marketing of agricultural commodities and value-added products is vital to producers and very important to the Kansas economy. We support continuation of the state agricultural marketing program, and urge adequate funding for it.

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February 2, 1998

Following are my thoughts concerning the From the Land of Kansas program.

I would like to commend Patti Clark for stepping into a program that is in turmoil. She is trying to operate the best she can with the information that has been supplied to her. Unfortunately, she did not see how the From the Land of Kansas program operated before when it was being run from the Department of Agriculture. To me, it seems as if the differences are as day to night.

When you are a new company, starting with very little money and often working another full time job, any help and advice you can find is greatly appreciated. I remember when I started my value-added food manufacturing business I was almost overwhelmed by everything that had to be done just to sell jerky! Some of the areas that had to be taken care of were putting in an inspected meat processing facility, product testing, including shelf-life studies, setting up sales tax number, finding suppliers for the ingredients and packaging, label design and printing, and as you can imagine hundreds of other details. I was so relieved to find an invaluable source of help in the From the Land of Kansas program. Everyone was very kind, considerate and helpful.

When I first started my company I felt that the price to participate in the Kansas Connection Catalog was high and it was a great risk. If I remember correctly, the cost was \$100! The point I am trying to make is, the new start up companies are so strapped for financing that what is obvious to large companies as a good marketing opportunity may not be viable to small companies. Even now, four and a half years later, it is not an automatic reaction to just say yes to a catalog opportunity that only costs \$200. For the most part, we are small companies with one or two people who wear all the hats, from marketing, running the office, manufacturing, to delivery. Even though we are small we all have the potential, with our products, to be a nationally know company. What we are asking for is some guidance and some opportunities to get our foot in a door, that might be closed if not for the asking, from an organization that has some State pull and backing.

It was very sad to loose the continuity of some of the programs that were in place before the Land of Kansas Program was moved. At that time we had a pilot program in place with the seven Target stores in Kansas. We had our own Land of Kansas display in each store. I was pleased to have my products accepted in that program. After about a year I found the program was no longer in use. I called the buyer in Minneapolis for that Target program to ask why the program was canceled. She told me that she would have liked to

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Attachment 2*

have a new product mix and work with more companies but she had not heard from anyone in the Land of Kansas program for a long time. I told her the program had just been transferred from the Department of Agriculture to the Department of Commerce and we had lost something in the transfer. She said that was too bad because some of the products sold very well. She also reminded me that with a little bit of work that perhaps some of the products may have been picked up for the national chain. Imagine, someone with a small company in Kansas having products in seven thousand stores across the United States! That would have been wonderful.

One question I have that has not been fully addressed, is why the KMA had to pay several thousand dollars above the \$200 fee for each company when the catalog was put together the same as the one before. We even tried to get banks, printers, and other companies to advertise to help with the cost. Why did the catalog work as it was before, but not now?

The From the Land of Kansas program has just told you of its Trade Show assistance program. That came from a request from us. We would like to go to trade shows where we are able to meet thousands of buyers from across the United States. Do you know that just the booth fee can cost from one thousand up to over two thousand dollars? That does not include travel or shipping expenses. The KMA went one step further and found a way that Mart Associations would let us share booth space and cut the cost share down to \$250. We did this by joining together and sharing ideas and resources. This was achieved at no cost to the KMA.

There are a lot of things that could be addressed, but I do not want to pick and pick. I just want you to know the program is not the same as it was. It has lost its continuity and prestige it once had. How do we get it back? It still can be a very effective program given it is run properly. It does, however, need to have to answer to someone as to its effectiveness on an annual or biannual basis.

I appreciate this opportunity to tell you how I think this program is operating now.

Lori
Lori Robbins,
Home On The Range & Co., owner

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RE: "From the Land of Kansas" Program.

I take this time to testify to you, though I remain in a state of confusion concerning the "From the Land of Kansas" Program. I believe the people running the program at Commerce do all right for what little is left to work with. And I believe they will continue to take hard criticisms because the memory of what the program was in the "good ol' days" lingers very strongly in producers minds. It helped Twin Valley Popcorn get in front of people at Bloomingdales in New York and Harrods in London when we had no real good idea on how to market popcorn.

Then a couple of years ago it was stripped of it's former self and to this day, no one has told the companies "why". For along while we wondered if the program even existed. Recently, Patty and Lee have worked hard, but the resources make it impossible for the program to do what it used to do. I guess we wonder why a nationally recognized program was stripped when it provided great assistance to small companies in Kansas. Maybe some of the money was wasted, maybe it didn't always work the way we'd hoped, but it was a very positive impact on many small Kansas companies and I question if anyone has really ever looked at the impact in dollars and people working that the lack of support from these small companies have had.

Presently, I understand that it appears some companies are complaining about how the program is being ran by KDOCH, and especially about the catalog, and vice versa. After talking to several people on both sides, most of this is just misunderstanding. I believe the cooperation catalog was a very positive move and made for a much better product. I do think this cooperative should be enlarged upon for the program to work effectively. I believe parts of the program should be funded and operated by the State, and part by Kansas Marketing Association with many of the jobs overlapping. Companies have a vast amount of knowledge and experience, but need a staff person to coordinate these activities and certainly believe state dollars are in order to fund this as well as some basic production costs. Such a cooperation would not be easy, especially given the existing distrust built due to the past few years. But, I do believe such cooperation can and must work - and if it did, would create much stronger marketing program than has ever existed.

I believe a continuation of the "From the Land of Kansas" Program with funding for activities by both the State and Kansas Marketing Association would be the best outcome for Kansas companies and Kansas taxpayer.

Thank you for your time and consideration.

Respectfully,

Ed Henry
Vice President - Kansas Marketing Assoc.
CEO - Twin Valley Dev. Services/
Twin Valley Popcorn

*Senate Agriculture
February 3, 1998
Attachment 3*