

Approved: 3-12-98
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Steve Morris at 10:00 a.m. on March 5, 1998 in Room 423-S of the Capitol.

All members were present except: Senator Dave Corbin (Excused)

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

Conferees appearing before the committee:

Mary Jane Stattelman, Chief Counsel and Assistant Secretary, Kansas Department of Agriculture
Doug Wareham, Vice President of Government Affairs, Kansas Grain and Feed Association
Joe Lieber, Executive Vice President, Kansas Cooperative Council

Others attending: See attached list

Senator Downey made a motion to approve the minutes of the March 4, 1998 meeting as submitted. Senator Clark seconded. The motion carried.

HB 2761 - Public warehouse license for grain storage

Mary Jane Stattelman, Chief Counsel and Assistant Secretary, Kansas Department of Agriculture, testified in support of **HB 2761** (Attachment 1). Ms. Stattelman stated that this bill would continue to encourage the storage of grain at alternative sites and not have grain on the ground, because it would give the Secretary of the Kansas Department of Agriculture the authority to waive the licensing and application requirements for only 30 days.

Doug Wareham, Vice President of Government Affairs, Kansas Grain and Feed Association, appeared before the Committee in support of **HB 2761**, stating that by providing authority to extend standard 30 day waivers of grain warehouse licensing and application requirements would enable the Secretary of the Kansas Department of Agriculture to respond accordingly when grain warehouses must use alternative storage locations for grain commodities (Attachment 2). He stated this bill would allow the Secretary to respond to the individual needs of grain handlers and producers during unique periods like the recent fall harvest .

Joe Lieber, Executive Vice President, Kansas Cooperative Council, summarized Ms. Stattelman's and Mr. Wareham's testimonies in support of **HB 2761** by stating that this flexibility for the Secretary of the Kansas Department of Agriculture to extend beyond 30 days the storage of grain stored in alternative locations, would benefit the industry (Attachment 3).

Senator Clark made a motion to pass **HB 2761** favorably from the Committee. Senator Biggs seconded. The motion carried.

The next meeting will be on call.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: 3-5-98

NAME	REPRESENTING
Joe Lieber	HS Co-op Council
Doug Wareham	Ks. Grain & Feed Assn. Ks. Fertilizer & Chemical Assn.
Agnes Harder	
Edgar Thuder	Guest
Roy Scheibmeier	K.D.A.
MaryJane Stattelmar	KDA
Ed Mey	Senate

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KANSAS DEPARTMENT OF AGRICULTURE

SENATE AGRICULTURE COMMITTEE

HB 2761

MARCH 5, 1998

My name is Mary Jane Stattelman and I am the Chief Counsel and Assistant Secretary for the Kansas Department of Agriculture and I am here to testify in support of HB 2761.

This bill is in response to last year's situation in which we were blessed with an abundance of grain, but not the ability to adequately store it or move it quickly to another location. Under current statutes, the Secretary is given the authority to waive the licensing and application requirements for only 30 days. Last year the Secretary granted a waiver to approximately 25 facilities. While most of the grain that was stored on the ground or in temporary storage was able to be moved in several months time, it emphasized the need to authorize the Secretary to be able to act in response to unforeseen situations as what occurred last year.

The Department of Agriculture hopes through this bill we can continue to encourage the storage of grain at alternative sites and not have grain on the ground and exposed to the weather and thus susceptible to rotting. Since we are unsure as to whether elevators will be in the same dilemma next year and what the railroad's response will be, the Secretary is given the authority to grant the authority to store grain at an off-site location for an undetermined length of time.

Senate Agriculture
March 5, 1998
Attachment 1

It is our intention that nothing in this amendment would weaken or lessen the financial responsibility of the facilities that are granted a waiver under this provision. We want to ensure the safety of producer's grain, while at the same time giving operators the flexibility to store grain at alternative locations.

Thank you for your attention to this matter. Either myself or Ron Scheibmeier, the grain warehouse program manager, would be glad to answer any questions that you may have at this time.

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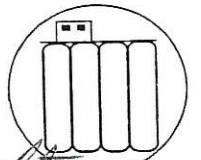
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Statement of the
Kansas Grain and Feed Association
to the
Senate Agriculture Committee
Regarding H.B. 2761
Senator Steve Morris
March 5, 1998

KGFA, promoting a viable business climate through
sound public policy for a century.



Senate Agriculture
March 5, 1998
Attachment 2

The Kansas Grain and Feed Association
..... a voluntary state organization founded in 1896 providing
governmental representation, educational opportunities and a wide
variety of professional services to the vast and indispensable grain
and feed industry. The 1150 member firms of the KGFA include
country elevators, terminal elevators, flour mills, feed manufacturers,
grain merchandisers and allied industries.

**SENATE AGRICULTURE COMMITTEE
MARCH 5, 1998**

H.B. 2761

Mr. Chairman and members of the Committee, I am Doug Wareham, Vice President of Government Affairs for the Kansas Grain and Feed Association (KGFA). KGFA is a voluntary state organization founded in 1896 to provide government representation, educational opportunities and a wide variety of other services to the vast and indispensable grain and feed marketing system in Kansas. The 1150 member firms of KGFA include both independent and cooperative country elevators, terminal elevators, feed manufacturers, flour mills, grain merchandisers and allied industries. We appreciate the opportunity to appear today in support of H.B. 2761.

By providing authority to extend standard 30 day waivers of grain warehouse licensing and application requirements, H.B. 2761 will enable the Secretary of the Kansas Department of agriculture to respond accordingly when grain warehouses must use alternative storage locations for grain commodities. While history has shown that alternative grain storage is not necessary on a regular basis, we need look no farther than the recent 1997 fall harvest in Kansas to realize the need for the flexibility this legislation provides.

The combination of record wheat, corn and soybean harvests coupled with acute rail transportation problems led to over 32 million bushels of wheat and feed grains being stored in temporary storage facilities or on the ground in Kansas. H.B. 2761 will allow the Secretary to respond to the individual needs of grain handlers and producers during unique periods like our recent fall harvest.

Thank you for this opportunity to appear in support of H.B. 2761. I would be happy to answer any questions you may have.

Testimony on HB2761
Senate Agriculture Committee
March 5, 1998
Prepared by Joe Lieber, CAE
Kansas Cooperative Council

Mr. Chairman and members of the Committee, I'm Joe Lieber, Executive Vice President of the Kansas Cooperative Council. The Council has a membership of nearly 200 cooperative businesses, which have a combined membership of 200,000 Kansans. Approximately 130 of our members handle grain for their member/owners.

HB2761 gives the Secretary of Agriculture the authority to extend beyond 30 days the storage of grain stored in alternative locations other than a location identified in the public warehouse license. The bill allows the Secretary to determine what constitutes a substantial hardship on the grain or its owners when determining how long the grain can be stored in an alternative location.

The Kansas Cooperative Council supports this bill because when grain is in abundance because of a large harvest, poor markets or lack of transportation, HB2761 gives authority to the Secretary to allow the warehouse license the ability to adjust to the situation.

We support the passage of HB2761.

*Senate Agriculture
March 5, 1998
Attachment 3*