

Approved: 3-24-98
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson David Corbin at 8:04 a.m. on March 18, 1998 in Room 254-E of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
Lila McClafin, Committee Secretary

Conferees appearing before the committee:
Representative Doug Johnston, Wichita, KS
Mike Jensen, Kansas Pork Producers Council
Steven Cox, Long Island, KS
Doug Claussen, Whitewater, KS
Dale Keesecker, Washington, KS
Bill Fuller, Kansas Farm Bureau
Rich McKee, Kansas Livestock Association
Marty Vanier, Kansas Agriculture Alliance
Ivan Wyatt, Kansas Farmers Union

Others attending: See attached list

Substitute for HB 2950 - Regulation and permitting of swine facilities.

Chairperson Corbin opened the hearing and called on Representative Doug Johnston.

Representative Johnson stressed the amendment that he added on the floor was not a moratorium but a permanent prohibition on the establishment of giant swine facilities of 3,800 animal units or larger in any county that has or will vote against the establishment of such facilities. He thought **Sub. for HB 2950** could be better but it deserves the Committees support (Attachment 1).

Mike Jensen, Executive Vice President, Kansas Pork Producers Council suggested some amendments that were very necessary for their industry. He stressed that the Kansas Pork Industry is willing to accept reasonable environmental oversight and they believe that the bill, without the House Environment Committee and House floor amendments fits that standard (Attachment 2).

Steven Cox, Long Island, KS, gave a brief overview of some of the changes that have taken place in the swine business in the almost forty years he has been farming. The swine industry has matured to a point of knowing how to produce a high quality product while at the same time protecting the environment. The environment is now and always has been a high priority for his family. He asked that his family and others like them be consider, and their growth not be restricted. He and his family have worked their entire lives to build their business and protect the environment (Attachment 3).

Doug Claussen, pork producer, Whitewater, supported the legislation as it came out of the sub-committee. He said the amendments added in the House Environment Committee and on the floor should be removed. The bill as it came out of the sub-committee had the necessary protection for the environment and it would allowed for the swine business to grow (Attachment 4).

Dale Keesecker, Washington, KS, supported the original HB 2950. The amendments that were added created problems for him. He urged the Committee to reject any amendments that have a moratorium, size restrictions, or that call for a vote every few years, as this would affect the financial viability of family farms (Attachment 5).

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 254-E Statehouse, at 8:00 a.m. on March 18, 1998.

Bill Fuller, Associate Director, Public Affairs Division, Kansas Farm Bureau, said they supported the concepts outlined in Sub HB 2950 in the form that it was developed in the subcommittee. Mr. Fuller said some of the amendments added to the bill in Committee and on the floor were unacceptable to them, and he points those out in his testimony (Attachment 6).

Rich McKee, Executive Secretary, Feedlot Division, Kansas Livestock Association, said they supported Sub. for HB 2950 with amendments to remove the language that imposes an embargo on swine facilities. He strongly objected to the four amendments that were added on the floor of the House (Attachment 7).

Marty Vanier, Kansas Agricultural Alliance, said the Alliance fully supports the safeguard of the Kansas environment. However the Alliance is concerned with more stringent regulations on confined animal feeding operations. They would ask the Committee to carefully consider any additional new environmental standards. (Attachment 8).

Ivan Wyatt, President, Kansas Farmers Union, said with the amendments added on the House floor they supported the bill. He thought it protected the citizens of rural Kansas counties by given them the right to vote on the mega corporate hog issue (Attachment 9).

The hearing for proponents was closed.

Several conferees responded to questions. Responding to a question on elections staff stated they were defined in the bill. Doug Claussen responded to questions regarding his swine operation.

The next meeting is scheduled for March 19, 1998.

The meeting adjourned at 9:00 a.m

SENATE ENERGY & NATURAL RESOURCES
COMMITTEE GUEST LIST

DATE: March 18, 1998

NAME	REPRESENTING
Sarah Kerney	HNS
Linda Adams	Rural Family Ag. Business
George Teagarden	KAFD
Laura McClellan	119th Dist Osborne
David	KAFD
Jane Willis	self
Earl Willis Jr.	SELF
Hank Erub	Kansas Farmer Magazine
Ivan W. Wyatt	Kansas Farmers Union
Tom Buons	Allent Assoc.
EDWARD ROWE	League of Women Voters/KS.
Say Beth Moore	Kans. Farmer - Haskell Co. (KFB)
Selen Norris	Kansas farmer (KFB)
Jamie Clover Adams	Gov. Office
Bill Hargrove	K-State / KCAFE
ROD BRENNEMAN	SEABOARD FARMS
Jim Allen	Seaboard
Rich McKee	KLA
Bill Fuller	KFB

SENATE ENERGY & NATURAL RESOURCES
COMMITTEE GUEST LIST

DATE: March 18, 1998

NAME	REPRESENTING
Dennis Goos, Intern	Sen. Huelskamp
Kim <i>Kim</i>	FARM FARM BUREAU
Jodi Fagerquist	Farm Bureau
David Neely	Farm Bureau
Megan Shull	Farm Bureau
Adam Stanley	Farm Bureau
Will Boone	Farm Bureau
Brad Maus	Farm Bureau

State of Kansas

DOUGLAS JOHNSTON

REPRESENTATIVE NINETY-SECOND DISTRICT

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(316) 269-2370

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TOPEKA, KS 66612-1504
(785) 296-7665

LEGISLATIVE HOTLINE 1-800-432-3924

Email: rep_douglas_johnston@mail.ksleg.state.ks.us



TOPEKA

COMMITTEE ASSIGNMENTS

MEMBER: ENVIRONMENT
INSURANCE
TAXATION

House of Representatives

DATE: March 18, 1998

FROM: State Representative Douglas Johnston

TO: Senator David Corbin, Chairman, and members of the Kansas Senate Energy and Natural Resources Committee

RE: Testimony on Substitute for House Bill 2950, Regulation and permitting of swine facilities

Chairman Corbin and members of this committee:

Thank you for this opportunity to speak to you regarding Substitute for House Bill 2950, Regulation and permitting of swine facilities and the establishment of large confined swine feeding operations.

I bring you this testimony today on a point of clarification. Substitute for House Bill 2950 is very complex and other conferees will no doubt testify to the many portions of the bill, so I will limit my remarks to the amendment I was able to add to the bill in the House Committee of the Whole. That amendment is a "permanent" prohibition on the establishment of giant swine facilities of 3,800 animal units (9,500 sows) or larger in any county that has or will vote against the establishment of such facilities.

This is not a moratorium. During the debate amendments were offered including a two-year state-wide moratorium on the establishment of large operations of 5,000 sows. This was defeated. The current language in the bill significantly strengthens the rights of the people to determine their own destiny by preventing the establishment giant swine facilities, but it does not create a moratorium. A moratorium would be state-wide. A moratorium would have a specific expiration date. Under the language in Substitute for House Bill 2950 any county could vote to disallow or to allow establishment of giant hog operations. It is not a moratorium.

House Bill 2950 is a good bill. It deserves your support. It could be better. It should be stronger. And while I support the new regulations I also believe Kansas needs a time-out on the corporate hog issue. A real--that is state-wide--moratorium would be better.

Senate Energy & Natural Resources

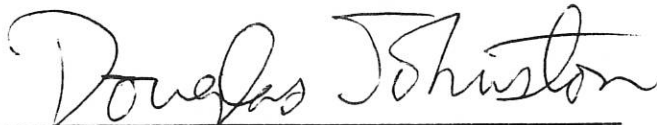
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In 1997, the Legislature funded a five-year multi-faceted study—the first of its kind in the nation—to determine how much confined animal feeding facility manure lagoons leak and related issues. Kansas State University scientists conducting the study recently testified before the Kansas House Environment Committee that the study is in its most preliminary phases and the lagoon leakage portion of the study will not be completed until October of 1999. In response to my question in committee, these scientists stated very clearly that making any public policy decisions based on the data would not be advisable at this time.

Kansas State University needs time to properly conduct its study before we allow huge corporate hog facilities to expand and establish in our state. These corporations have wreaked havoc in other states, polluting waterways and destroying the quality of life in rural communities while their corporate executives live comfortably in states far away. Liquid hog manure lagoons of a size never seen before in Kansas are being built. The least we can do is carefully prepare. Substitute for House Bill 2950 is a good step in the right direction.

Thank you for your time.



Representative Douglas Johnston, District 92

March 18, 1998



**Testimony to Senate Energy and Natural Resources Committee
Qualified Support of HB 2950
Prepared by Mike Jensen, Executive Vice President**

The KPPC is a qualified proponent of this bill. The reason for that "qualification" is our concern caused by changes made to the bill by the House Environment Committee and on the House floor. The bill, as proposed by the House Environment sub-committee, is carefully-crafted legislation based on sound, scientific principles. The following amendments to the bill are unacceptable to our members.

- A permanent moratorium on new construction or expansion of swine facilities above 3,800 A.U. in counties where corporate hog farming has been voted down.

We would ask that this be deleted.

- Require a county-wide election if the county commission passes a resolution to allow corporate hog farming and allows a revote every two years.

We would ask that this be deleted.

- The House Environment Committee lowered the top animal unit threshold from 4,500 to 3,725. This increased the number of family farms required to meet the strictest state regulations in the nation.

We would ask that this be increased.

- The House Environment Committee also imposed on swine producers a burdensome

amount of recordkeeping as they will need to file numerous reports to KDHE and the Department of Agriculture.

We would ask that you balance bureaucracy versus protecting our environment.

Please remember, the starting point for H.B. 2950 was a document created by the National Environmental Dialogue on Pork Production after nearly a year of meetings where testimony was heard from hundreds of national and international experts on our industry. Then, the sub-committee spent nearly 100 hours hearing testimony from expert witnesses.

The KPPC firmly supports reasonable environmental guidelines. In fact, the KPPC has sponsored our Environmental Assurance Program for the past two years to help train our producers in their environmental practices. Also, beginning this spring, our association will be sponsoring “On-farm environmental audits”. This program will be offered free of charge to any producer. Each farm participating will have a team of engineers and/or technicians visit their farm and offer a written assessment of that farm’s environmental program. A third party verifier will overview the audit and participate in some of the audits.

These types of programs, developed with producer checkoff funds, show that pork producers are willing to accept change in their operations. In fact, when considering the rapid changes in technology occurring in our industry, it is very possible these might well outpace any “statutory” language. The protection of the environment may be best served by allowing the agencies involved to utilize their rule and regulation authority to address any remaining concerns.

The bill proposed by the House sub-committee, was a very fragile balancing act.

Every shall, may, and, or and date was carefully discussed to balance the protection of the environment and the economic impact on the swine industry. Our members believe the changes made to this bill could have untold negative impacts on our industry.

In closing, I again want to stress that the Kansas Pork Industry is willing to accept *reasonable* environmental oversight and we believe that this bill, without the amendments, fits that standard.

Thank you for your consideration.

Steven Cox

KANSAS PORK PRODUCER
Long Island, Kansas 67647

Hello, my name is Steven Cox. I am from Long Island, a small town in the NW part of Phillips County. I have been farming Norton and Phillips county land for almost forty years.

At the age of 13, through FFA, I discovered my love of farming, growing crops and raising livestock. At the age of sixteen I selected Agriculture as my career of choice.

Being the fifth of 8 children gave me the opportunity to observe three older brothers head off to college searching for their careers. I already knew my livelihood would come from Kansas soil, growing crops and raising livestock. My father gave this opportunity to me, and I was delighted to accept.

My father's untimely death at the age of fifty-four left me, a 21-year-old, with a lot of responsibilities on our farm. We decided, as a family, to expand our livestock operations (cattle and hogs) to enable more of us kids to be able to make a living off the farm.

Six years later a car accident claimed my mother's life. Leaving the 8 of us children to make it on our own. I am proud to say that today five of the eight children are farming in the Long Island area.

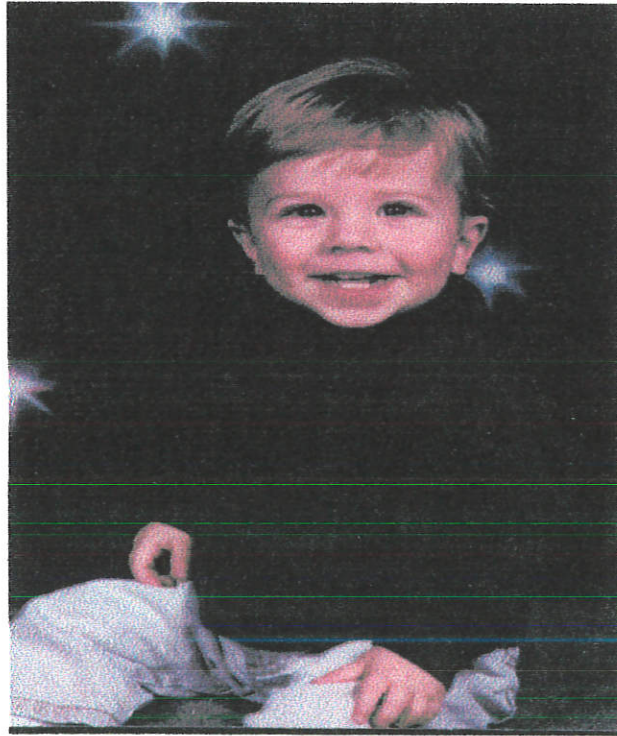
I tell you this because I want you to know that agriculture is not a hobby but a way of life for me and my family. We have been involved with changing thoughts and methods throughout our agriculture careers. I also see change playing a bigger role in the future with more advanced technology every day. Three of the brothers farm and raise cattle. Two of us, I being one of the two, farm and produce pork. Each of us has at least one child that would like To follow in our Kansas agriculture footsteps

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PLEASE DON'T LIMIT THIS GENERATION OR THE NEXT BY CREATING UNNECESSARY ROADBLOCKS



As long as I have been involved in the swine industry, it has been in a state of change. I built one of the first total confinement finisher barns in 1965. Spanning the years of 1970-1973 we built one of the first total farrow to finish confinement operations, only a 400-sow operation, but it seemed so big at the time. We constructed a large lagoon in 1970 to handle this operation that still operates well today. We have always tried to build a quality operation that would be able to last for generations. It is important to me that the operation be environmentally safe and an attractive addition to the community.

I have seen many different methods of operating and several different ways of management come and go. The swine industry today has matured to a point of knowing how to produce a high quality product while at the same time protecting the environment. I am proud to tell you we are doing a good job of this in our industry. The environment is now and has always been a high priority of ours as we are all only stewards of the land.

We feel that we are in the people business while producing pork. For example, one of our operations employs 17 full time staff. These employees help support 11 spouses and 22 children. They add to the local economy, attend local schools and churches and of course pay taxes (as the annual payroll approaches \$400,000). Last year 5 part-time summer job opportunities were filled by children of our employees.



Our philosophy is that for any of our operations to be successful it must be: (1) good for employee (2) good for the community (3) good for the company. We have built our business with this philosophy.



Today the Kansas Senate is dealing with changes in the swine industry. Changes that started happening thirty years ago. These changes needed to occur to enable us to help feed a growing world population. A world that is demanding more protein in their diets. Better to feed a hungry world than to go to war with it.

I am here today representing myself, future generations of my family, and the pork producers across the state of Kansas. We support the environment bill HB2950 as it came out of committee, but we cannot support the bill with the amendments attached that make it a moratorium bill. I do own an operation in Norton County, a county already with a no vote to incorporate hog farming. The bill as it stands today limits us from adding any additional hogs to that farm. It will place a moratorium not only on me, a third generation lifetime farmer, but other producers across the state as well.

I ask you to strike the amendment pertaining to county wide votes every two years. I would also like to request the Senate to adjust the animal units up to 4500 when describing the large producers.

Kansas has a history of exporting our most valuable resource – our energetic young offspring.



I'm asking you to consider my family & those like us. Please do not restrict our growth. We have worked our entire lives to build our business – slowly, environmentally correct & family orientated. Please allow our children & employees to continue to build their ag future in the great state of Kansas.

March 18, 1998

Testimony to Senate Energy and Natural Resources Committee

Support of House Bill 2950

Presented by Doug Claassen, Whitewater

Hello, my name is Doug Claassen. I am a pork producer from Whitewater.

My father, two brothers and I operate a diversified farm including about 2,500 acres of cropland and a cattle-feeding operation. My responsibilities include the management of our 650-sow swine facility.

Pork production has been important to my family for generations. My great, great grandfather came from Prussia with a background in the swine industry. Hogs have been grown continuously on the land he bought in 1876. We have had a livestock waste management permit for over 25 years.

The legislation before you was crafted after the House Environment sub-committee heard weeks of testimony about the pork industry. Its members sorted through this information and wrote a bill they believe will protect the environment.

As a father of four, I appreciate the importance of sustaining our farm's natural resources, including the water and air quality. I want to leave my children a legacy of doing things correctly.

As a conservationist, hunter, fisherman, host for the Governor's One Shot Turkey Hunt, and Sponsor member of the Rocky Mountain Elk Foundation. I understand the responsibility we have to be good stewards of the land.

However, as a businessman, I also understand that economics plays a role in determining the level of environmental safeguards a farm can sustain. Farms such as ours regularly use outside consultants for swine health and nutrition. We utilize agricultural engineers to ensure that our buildings and waste management systems are constructed with the latest technology available.

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We also have agronomy consultants sample the soil and crop tissues to ensure we are applying nutrients at the correct levels.

Agriculture is just beginning an era of technological advances. Some of these advancements may have a direct impact on several of the issues this bill addresses. Global positioning systems aligned with variable rate application devices may soon economically pinpoint the amount of nutrients needed in that section of a field. Crop varieties derived through advances in biotechnology may soon significantly alleviate concerns of excess nutrients produced by our industry.

Please be careful about adding specific restrictions to this bill which may, in effect, tie the hands of the state's producers in adopting new technology.

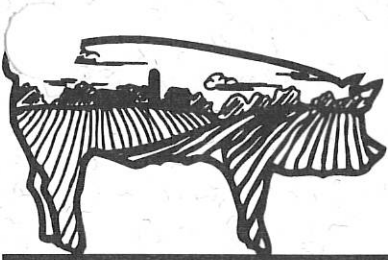
The House Environment sub-committee's bill was legislation pork producers could live with. The amendments added in the House Environment Committee and on the House floor are unacceptable.

As it now stands, the bill will put more of a financial burden on the small to medium-sized producer. Eight families rely directly on our farm alone for employment and livelihood. This legislation affects not only those directly involved with pork production, but also those who make their living producing grain and providing services our industry consumes.

I believe the earlier version of the bill sets environmental standards that pork producers can achieve without unduly straining the ability of their operation to survive. In my opinion, it was a workable compromise that helps protect the environment for the next generation of Claassens, yet allows our operation to grow as members of our family enter the business.

Please delete the amendments to the bill.

Doug Claassen
R.R. 1, Box 109
Whitewater, KS 67154



Keesecker Agri-Bus. Inc.

2069 PRAIRIE ROAD

WASHINGTON, KS 66968

PH / FAX: (785) 325-3134

Chairman of the Senate Energy & Natural Resources Committee & Committee members:

Thank you for allowing me the opportunity to discuss House Bill 2950.

My name is Dale Keesecker, I am from Washington County. I am the third generation involved in the production of pigs and crops. I would hope that my daughters and grandsons could be the fourth and fifth generations. Our operation consists of a family held corporation with myself being sole stockholder and an agricultural limited liability company of which my three daughters have invested in.

We support HB 2950, but the present amendments on HB 2950 create a problem for us. In particular, allowing citizens in Eastern Kansas, where most county commissions have not lifted the ban on corporate hog farming, to petition for a vote which would trigger the 9500-head size limit regardless of whether the operation was individual or corporate. About a year ago, my son-in-law approached me about selling his construction business. He wondered if there were any opportunities for him to become a part of our farm business. After much deliberation, we decided that it was feasible, but we would have to expand the present operation to support another family member. We have started the expansion process, which has resulted in an extensive outlay of capital. Agriculture is a capital intense business. There are only two ways you can generate more income. You can improve efficiency, which has its limitations, and/or expand the business. Growth of our business is needed to include new family members, or key employees, and to keep up with inflation. We do not have a problem with HB 2950, but feel that these amendments handcuff us in our attempt to stay competitive and bring new people into our operation. I believe these amendments will harm the family farms they are trying to protect. Agriculture, by its very nature, does not have the availability to set prices for its products; therefore it is essential that it not be shackled with production caps or limits such as these amendments.

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I realize that there is environmental concern. I think our operation speaks for itself in its quest to protect the environment. We have been using conservation practices, which involve over 55 miles of terraces; 62 acres of grassed waterways, 10 acres of wildlife upland habitat, approximately 3,200 needle and deciduous trees and shrubs in shelter belts, and soil testing to match manure nutrients to crop needs. We have conducted over 50 feeding trials in the last 14 years with Kansas State University concerning restricted uses of protein and phosphorus, which ultimately end up in the environment as nitrogen and phosphorus.

In closing, I would urge the committee to reject any amendments to HB 2457 that hint of moratoriums, size restrictions, or that call for a vote every few years which would affect the financial viability of family farms. Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Dale Keesecker", with a long, sweeping underline that extends to the right.

Dale Keesecker



National Pork
Producers Council

newsrelease

For Immediate Release
Sept. 13, 1995

Contact: Jeff Gabriel
Cindy Cunningham
(515) 223-2600

Five pork operations honored for outstanding environmental stewardship

WASHINGTON, D.C. -- Five pork operations were recognized by the U.S. pork industry this week for promoting a strong conservation ethic.

Winners of The Environmental Stewards Program are: Harlan Keener of Rocky Knoll Swine Farm, Lancaster, Pa.; PIC USA, Franklin, Ky.; Marlin Pankratz, Mountain Lake, Minn.; Dale Keesecker, Washington, Kan.; and National Hog Farms, Inc., Kersey, Colo. The winners were recognized at a special ceremony held in conjunction with the National Pork Producers Council's (NPPC) annual Legislative Seminar.

Each operation was selected as winner of a designated region in the United States by a producer committee. The operations were evaluated in five areas: manure management, financial management, aesthetics and neighbor relations, wildlife management, and innovation. The award is sponsored by the National Pork Producers Council (NPPC), Pfizer Animal Health and *National Hog Farmer* magazine.

"It is very important to show other pork producers and those outside of our industry just what the U.S. pork industry is doing to conserve the environment," said Danita Rodibaugh, an Indiana pork producer and chairman of the NPPC Environment Committee. "This program will also serve as a way for producers to get new environmental ideas they can implement in their operations," Rodibaugh said.

The Environmental Stewards Program is just one part of NPPC's commitment to environmental issues, according to Jeff Gabriel, director of environmental services for NPPC.

"NPPC continues to work in cooperation with allied industry, government agencies, environmental organizations, and agricultural groups to facilitate pork industry efforts in environmental research and education," Gabriel said.

- more -

1995 Environmental Stewards Program Winners

Harlan Keener, Rocky Knoll Swine Farm, Lancaster, Pa. (717) 464-2669

The Keener's farm 230 acres and produce 22,000 finished hogs a year. All manure is processed through a methane digester with a 350,000 gallon retention tank. The manure stays in the digester tank for 23 days before it is discharged to the manure storage tank. The manure is then applied to cropland based on nutrient needs.

PIC USA, Franklin, Ky. (502) 586-9224

This seedstock operation produces 34,000 breeding and market hogs annually. It also includes 210 acres of irrigated pasture. During the growing season (March-October), effluent is pumped from the second or third lagoon into a 9.41 acre constructed wetland. Any effluent not used in the wetlands is applied to pasture land.

Marlin Pankratz, Mountain Lake, Minn. (507) 427-2152

The Pankratz family farm corporation has a farrow-to-finish operation that produces 11,500 hogs annually, and includes 520 acres. Manure is stored in an earthen basin and removed twice a year. Manure is applied by injection to cropland based on nutrient needs. Additional manure is offered to neighbors at the cost of application.

Dale Keesecker, Washington, Kan. (913) 325-3134

This farrow-to-finish operation sells between 29,000 and 30,000 hogs annually and includes 2,200 acres of land. The operation uses a nine-phase feeding program to meet the nutritional requirements of its pigs, thereby reducing the amount of nitrogen and phosphorus excreted by each pig. The lagoon water is utilized through a center pivot system on cropland.

National Hog Farms, Inc., Kersey, Colo. (303) 353-9960

This farrow-to-finish operation includes 26,660 acres and produces 310,000 market pigs annually. The operation utilizes constant aeration in two aeration tanks to eliminate odors. The liquid portion is pumped to center-pivot irrigators for land application. Manure solids are spread on pasture as a soil enhancer.



Cooperative Extension Service

Extension Animal Sciences and Industry
241 Weber Hall
Manhattan, Kansas 66506-0201
913-532-6131
FAX: 913-532-7059

October 5, 1993

KPPC Environmental Stewardship Award Committee

To Whom It May Concern:

It is indeed a pleasure to provide information regarding on-farm research trials conducted by Kansas State University at Keesecker Agri-Business Inc. Many on the more than 20 field demonstrations conducted (involving over 50,000 pigs) at Keesecker Agri-Business over the last 13 years (1980-1993) have involved phase-feeding concepts to closely tailor diets for the specific nutrient needs of pigs under commercial swine production conditions. The net result of this innovative, modern phase feeding program developed at Keesecker Agri-Business is that protein, amino acid and micro-nutrient requirements of the pigs are closely met for optimum lean gain and lean efficiency. This phase feeding program greatly reduces nitrogen, phosphorus and other excess nutrients released to the environment via swine waste.

For these reasons, I strongly support Mr. Dale Keesecker as an outstanding candidate for the KPPC Environmental Stewardship Award. If I can provide any additional information regarding the strengths of this nominations, please feel free to call (913-532-1251).

Thanks for your consideration.

Sincerely,

Jim L. Nelssen
Extension Specialist, Swine
Animal Sciences and Industry

/am

MR. DALE KEESECKER
RURAL ROUTE #2
WASH. STATE #2
KS 66968

IN RECOGNITION OF YOUR OUTSTANDING ENERGY CONSERVATION ACCOMPLISHMENTS, THE PRESIDENT OF THE UNITED STATES IS PLEASED TO INFORM YOU THAT YOU HAVE BEEN SELECTED TO BE ONE OF THE RECIPIENTS OF THE PRESIDENT'S AWARD FOR ENERGY EFFICIENCY. YOU ARE INVITED TO ATTEND THE PRESENTATION CEREMONY WHICH WILL TAKE PLACE ON MONDAY, JANUARY 12, 1981 IN ROOM 450 OF THE OLD EXECUTIVE OFFICE BUILDING AT THE WHITE HOUSE. THE CEREMONY WILL BEGIN PROMPTLY AT 1:30 PM WITH REMARKS BY THE PRESIDENT. MEMBERS OF THE CABINET AND THE SENIOR WHITE HOUSE STAFF WILL PRESENT THE AWARDS.

YOU MAY RESPOND TO THIS INVITATION BY CALLING MY OFFICE AT (202) 456-7703. IF YOU CAN ATTEND, MY OFFICE WILL NEED YOUR DATE OF BIRTH AND SOCIAL SECURITY NUMBER FOR ROUTINE CLEARANCE PURPOSES.

YOU SHOULD ARRIVE AT THE 17TH AND G STREET ENTRANCE OF THE OLD EXECUTIVE OFFICE BUILDING APPROXIMATELY ONE-HALF HOUR BEFORE THE CEREMONY BEGINS.

SINCERELY,

ANNE WEXLER
ASSISTANT TO THE PRESIDENT

Mr. Dale Keesecker
Rural Route
Washington, Kansas 66968

Dear Dale and Lila:

On behalf of our Hungarian delegation, we certainly appreciate the time that you spent in discussing your swine operation and showing us the facilities. We realize that it was not the most convenient time because of planting, but you did an outstanding job as usual discussing your management philosophies. It is always refreshing to visit with the swine producer who is intently interested in improvement of production efficiency. During the past few years, I have appreciated your enthusiasm for life and your goal for perfection of your swine operation.

It has certainly been a learning experience for me to have worked with you in the past and if I can be of any assistance, please feel free at any time to contact me.

Sincerely,

CENTRAL SOYA COMPANY, INC.

D. S. Pollmann, Ph.D.
Manager-Swine Feeds

DSP:dkz/34:1977

cc: J. A. Coalson
J. R. Corley
D. E. Hinkebein
M. E. Ruthstrom



PUBLIC POLICY STATEMENT

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

RE: Sub. for HB 2950 – Establishing regulations and income tax credits for confined swine operations.

**March 18, 1998
Topeka, Kansas**

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

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

The rapid growth of large swine confinement facilities in recent years has created a very emotional and volatile issue in the State of Kansas. This same debate is going on in a number of other states. Many see large confined swine operations as an economic benefit for their communities and their own farming operations. Others question the commitment to the community and see them as a danger to their quality of life.

This debate, charged with high emotion on both sides, has become possibly the biggest issue the 1998 Legislature is asked to resolve. Fifteen bills have been introduced that are directed at livestock production in Kansas. Most focus on pork production facilities. The various proposals include

Senate Energy & Natural Resources

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moratoriums on the construction of facilities, increasing permit fees, changing the corporate farm law, authorizing county commissioners to establish the maximum number of swine allowed in the county and requiring a county vote each time a facility is constructed.

We believe you now have the bill that addresses the concerns of most Kansans. Sub. for HB 2950 is a strong pro-environment bill, with an emphasis on additional regulations for mega-sized corporate swine operations.

We are here today in support of the concepts outlined in Sub. HB 2950 in the form that was developed after weeks of hearings and debate by a Subcommittee, then approved by the House Committee on Environment. The KFB Swine Advisory Committee has conducted an extensive and ongoing review of Sub. for HB 2950. The Kansas Farm Bureau Board of Directors has examined the bill and has approved qualified support for the legislation. We believe Sub. HB 2950 is more acceptable than any of the other livestock regulatory bills that have been introduced this session.

Sub. for HB 2950 places a number of new responsibilities on swine facilities that will cost owners additional time and dollars. The legislation will impact many of our members. It is important to know that the farm and ranch members of Farm Bureau have a long-standing respect for the environment. They continue to expand their involvement in activities that protect water quality and other natural resources. This awareness and willingness is demonstrated by a number of statements contained in Farm Bureau member-adopted policy:

- *“We encourage additional efforts to prevent contamination of ground water and surface water in Kansas.”*
- *“An increased focus and allocation of resources should be directed at developing crop and livestock management practices, which protect natural resources. the agricultural economy...”*

- *“Farmers and ranchers realize proper handling of waste materials is essential in protecting water quality and the environment.”*
- *“Regulation of wastes produced in confined livestock facilities should be consistent and economically viable. Any construction requirements must be reasonable.”*

We strongly support New Section 28 that allows a 50 percent income tax credit to qualified Kansas pork producers for financing capital improvements required as a result of this legislation. This will allow achievement of the environmental improvements, while reducing the financial burden on some of our family farm producers. Farm Bureau policy states: *“Since the protection of natural resources is vital to all Kansans, and important for future generations of Kansans, we support expanding cost-share programs, creating tax incentives, and establishing a state revolving-loan fund for resource protection.”* We ask you to consider increasing the tax credit closer to the actual cost of the improvement, perhaps in the range of 70 to 90 percent.

As we stated before, we believe this bill addresses the environmental issues that are a concern to Kansas citizens. Some of the action on the House floor added provisions beyond the environmental issues, and placed additional restrictions on the pork industry in Kansas that are unacceptable.

We support the House amendment in New Section 5, page 14, lines 25 to 34 that requires KDHE to consult with the KCC, before issuing any permit for a swine facility that utilizes a lagoon, to determine that no unplugged oil or gas well is in the vicinity. We believe KDHE will also look for unplugged water wells, since the agency is responsible for water wells. We believe this is an environmental amendment that protects groundwater. Kansas Farm Bureau’s commitment is strong in this area since our organization has conducted more than 240 well plugging demonstrations in 103 Kansas counties.

We have concerns and reservations about the other four amendments that were added to Sub. HB 2950 on the House floor. These additions to the bill go beyond the environmental intent of the bill.

Kansas Farm Bureau in 1994 supported SB 554 that authorized county commissioners, by resolution, to approve corporate swine production facilities in the county. Most important, the legislation empowered voters to request an election to confirm or reject the action by the county commission. We defend citizen's right to vote on important local issues! We believe the current law protects the principle of representative government, while still providing a means for a citizen vote. Therefore, we have concerns with the changes in Sec. 32 on pages 43 to 45.

The House added New Sec. 38 on page 52 requiring the costs of implementing Sub. HB 2950 be funded from the Economic Development Initiatives Fund (EDIF) rather from the State General Fund (SGF). Kansas Farm Bureau policy makes the point that the protection of natural resources is vital to all Kansans and water programs should be funded by all Kansans through the SGF. We would also be concerned about Sub. HB 2950 competing with the State Water Plan and other important programs now funded with EDIF revenues. We do not believe New Section 38 establishes appropriate public policy.

The House amended Sub. HB 2950 by adding Sections 33 to 36 on pages 45 to 51 to prohibit corporate swine facilities from using any Kansas Development Finance Authority (K DFA), Kansas Industrial Training (KIT) or Kansas Industrial Retraining (KIR) bonds. We are concerned about these amendments because they may prohibit Kansas family farm corporations from accessing these funds. Also, we believe there is a possibility a program, similar to the one initiated by the Kansas Department of Agriculture, Kansas Department of Commerce and Kansas State University designed to assist meat processors with HACCP regulations, could be developed with K DFA

funds to assist pork producers in meeting the new regulations and in developing the various plans required under Sub. HB 2950. Additionally, the bill requires training of swine facility operators. If the House had not approved the amendments in Sections 33 to 36 on pages 45 to 51, could KIT or KIR funds be used for this training and certification?

The House added New Section 30 on pages 33 and 34 establishing a moratorium on the construction of swine production facilities with a capacity of 3800 or more animal units in counties that have voted against allowing corporate hog farms to locate in the county. We have two concerns with this amendment. First, the moratorium is permanent and does not take into account that proposals change, people change, conditions change and economic factors often change over time. Second, it impacts all large swine production facilities, family farms and corporate operations. We believe the voters in the 21 counties rejecting corporate swine production facilities, were voting against a specific corporate swine project, not against large family farm operations. We ask you to restore the original language in New Section 30 that was developed by the Subcommittee and approved by the House Committee on Environment.

In closing, we encourage pork producers, whether small family farms or mega-sized corporate entities, to accept the responsibility of protecting the state's natural resources and the quality of life of all citizens. Additionally, we express our appreciation to you, Senator Corbin and members of the Committee, for this opportunity to express Kansas Farm Bureau's support for the concepts outlined in this bill. We ask you to keep this bill viable, common sense and in a form our pork producers can live with. In fact, this Committee may discover that raising the size thresholds in several of the sections of the bill will reduce some unnecessary burden on family farm operations, while providing the necessary protection for our environment. Thank you!



Since 1894

Testimony

presented by

Rich McKee

Executive Secretary, Feedlot Division

regarding

Substitute for House Bill 2950

before the

Senate Energy and Natural Resources Committee

March 18, 1998

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 7,500 members on legislative and regulatory issues. KLA members are involved in all segments of the livestock industry including cow-calf, feedlot, seedstock, swine, dairy and sheep. In 1996 cash receipts from agriculture products totaled over \$7.8 billion, with nearly sixty percent of that coming from the sale of livestock. Cattle represent the largest share of cash receipts, representing approximately ninety percent of the livestock and poultry marketings.

Senate Energy & Natural Resources

Attachment: 7

Chairman Corbin and members of the Senate Energy and Natural Resources Committee, thank you for the opportunity to testify. My name is Rich McKee and I am representing the Kansas Livestock Association.

KLA supports Substitute for House Bill 2950 with amendments to remove the language that imposes an embargo of swine facilities. This bill would "raise the bar" with regard to Kansas environmental regulations for swine operations. Please keep in mind, Kansas already has some of the toughest environmental requirements in the country.

When the House subcommittee responsible for drafting this legislation first met, they told us several things. First, they said everyone would have an opportunity to be heard. Secondly, the subcommittee indicated they would leave no stone unturned with regard to environmental issues surrounding swine facilities. Finally, the subcommittee told us when finished, they would produce a bill that no one would agree with 100 percent. In our view, the subcommittee did exactly what they said they would do.

There are a number of issues surrounding the potential growth of the swine industry in Kansas. There are environmental concerns, philosophical differences of opinion regarding who should be able to own livestock in Kansas and the question of whether state government should limit the number of livestock one entity can own. We believe this bill is a progressive effort to address every environmental issue raised in this debate.

I cannot recall an issue in the last 15 years that has received such intense scrutiny by a subcommittee. This subcommittee held countless meetings over the lunch hour and into the evening. Numerous environmental issues were hashed and re-hashed.

The Kansas Livestock Association is willing to support Substitute for House Bill 2950 with amendments to remove the moratorium and other onerous provisions in the bill. We believe this bill will allow the swine industry to grow in Kansas under some of the most restrictive environmental regulations in the country. There are provisions contained in this proposal that we find objectionable.



KANSAS AGRICULTURAL ALLIANCE

**STATEMENT OF THE
KANSAS AGRICULTURAL ALLIANCE
BEFORE THE
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
DAVID CORBIN, CHAIRMAN
REGARDING SUB. H.B. 2950**

The Kansas Agricultural Alliance (KAA) is a coalition of 20 statewide agribusiness organizations that spans the spectrum of Kansas agriculture, including crop, livestock and horticultural production, suppliers, allied industries and professions.

The members of the Alliance, many of whom will be testifying today, have watched the development of Sub. H.B. 2950 with great interest. Alliance members have worked very hard to safeguard the environment of Kansas while, at the same time, providing an affordable and abundant food supply not only to the state and nation, but to the world. The Alliance fully supports the goal of protecting the environment to the extent it is desirable and practical to do so.

Members of the Alliance are concerned, however, about the imposition of new and more stringent regulations on confined animal feeding operations. We would ask the Committee to carefully consider these new standards, particularly in light of the lack of a demonstrable imminent hazard to the environment of the state. Agriculture is a precarious enterprise, subject to the whims of the forces of economics and nature. The added expense of complying with new standards, even if only applied to new or expanded facilities of a particular size, may stifle growth. The new standards may have the unintended effect of preventing Kansas family farmers from expanding and developing successful animal feeding ventures. We hope the Committee will closely weigh the benefits of the new standards.

The members of the Kansas Agricultural Alliance are committed to and stand ready to assist in the protection the environment of the state of Kansas. Thank you for your attention.

Senate Energy & Natural Resources

Attachment: 8

Date: 3/18/98

Marty Vanier, DVM ♦ Executive Director
1728 Thomas Circle ♦ Manhattan, Kansas 66502 ♦ (913) 539-9506

STATEMENT
OF

IVAN W. WYATT, PRESIDENT
KANSAS FARMERS UNION

ON
HB-2950

BEFORE

THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
MARCH 18, 1998

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

THE KANSAS FARMERS UNION OPPOSED THIS BILL IN THE HOUSE COMMITTEE ON THE ENVIRONMENT.

HOWEVER, WITH THE AMENDMENTS ADDED ON THE HOUSE FLOOR, WE CAN SUPPORT IT TO A DEGREE. THIS BILL NOW PARTIALLY PROTECTS THE CITIZENS OF RURAL KANSAS COUNTIES RIGHT TO VOTE ON THE MEGA CORPORATE HOG ISSUE. IT ALSO ALLOWS THE MORE URBAN COUNTIES SUCH AS SEDGWICK, JOHNSON OR EVEN SHAWNEE TO VOTE FOR THE MEGA CORPORATE HOG IF THEY WOULD LIKE THEM FOR NEIGHBORS, OR TO VOTE IN OPPOSITION IF THEY WISH.

I HAVE NOTICED URBAN CITIZENS HAVE THE RIGHT TO SPEAK OUT IF THERE IS A BUSINESS SUCH AS WAL-MART, A QUICK SHOP, OR A BAR MOVING INTO THEIR NEIGHBORHOOD THAT THEY WOULD RATHER NOT HAVE THERE FOR ANY NUMBER OF REASONS MANY SIMILAR TO THOSE A CORPORATE HOG OPERATION MIGHT RAISE EXCEPT THE ODOR. IN MOST CASES THEY ARE SUCCESSFUL. RURAL CITIZENS WANT THAT RIGHT ALSO.

ON ANOTHER SUBJECT, I DON'T BELIEVE IF TWO HOGS WALKED IN THIS ROOM NOW, THERE WOULDN'T BE ANYONE HERE WHO COULD TELL YOU BY SMELL OR SIGHT WHICH ONE MIGHT BE A SEABOARD INC. HOG OR A MURPHY FARM INC. HOG.

YET, AS OF NOW, THIS BILL IS SAYING TO RURAL FAMILIES, YES, WE IN OUR GENEROSITY WILL ALLOW YOU TO VOTE TO PROTECT YOUR FAMILY AGAINST ONE MEGA CORPORATE HOG, BUT ON THE OTHER HAND, WE ARE DENYING YOU THAT RIGHT TO PROTECT YOUR FAMILY FROM THE SAME DANGERS OF ANOTHER MEGA HOG CORPORATION.

Senate Energy & Natural Resources

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THAT MAKES ABOUT AS MUCH SENSE AS IF THE KANSAS LEGISLATURE VOTED TO SAY RURAL FAMILIES CAN ONLY PUT A ROOF ON ONE-HALF OF THEIR HOME.

THEREFORE, THE KANSAS FARMERS UNION URGES THIS COMMITTEE TO CORRECT THE LAW THAT WOULD ALLOW THE WORLD'S LARGEST ABSENTEE CORPORATE HOG FARMS TO IGNORE THE VOTE OF COUNTY'S CITIZENS IF THEY SO CHOOSE.

WE WOULD ALSO URGE THIS COMMITTEE TO CLARIFY THE LANGUAGE OF PRESENT LAW THAT CAUSES SOME TO CONFUSE A CATTLE FEEDLOT WITH A CONFINEMENT SWINE FEEDING FLOOR.

IF THERE IS ANYONE WHO DOESN'T UNDERSTAND THE DIFFERENCE, I THINK EVEN I, JUST A DUMB OLD FARM BOY, CAN EXPLAIN THE DIFFERENCE.

I KNOW THERE ARE SOME ECONOMIC DEVELOPMENT BUREAUCRATS THAT CLAIM THE MEGA CORPORATE HOG IS THE "SILVER BULLET" THAT WOULD BE THE SOLUTION TO THE PROBLEMS OF RURAL KANSAS, AMERICA, EVEN THE WORLD.

RURAL COMMON SENSE, HOWEVER, SAYS OTHERWISE. 40,000 KANSAS VOTERS SAY OTHERWISE. 71% OF THOSE PEOPLE VOTING IN 1/5 OF THE KANSAS COUNTIES SAY OTHERWISE.

YES, I KNOW ALL THOSE MILLIONS OF SEABOARD DOLLARS SPEAK LOUDLY. BUT WHERE DID ALL THOSE DOLLARS COME FROM? ACCORDING TO THEIR ANNUAL REPORTS OF '95 AND '96, AS I UNDERSTAND THEM, MANY OF THOSE DOLLARS CAME FROM THE TAXPAYERS' POCKETS. SOME EVEN FROM KANSAS TAXPAYERS.

THEIR ANNUAL REPORTS INDICATE SOME \$24 MILLION HAS BEEN CONTRIBUTED TO THE COMPANY BY GOVERNMENT ENTITIES, ALSO INCLUDED ARE NUMEROUS TAX EXEMPT REVENUE BONDS, SUCH AS THE KANSAS BONDS OF \$9.6 MILLION DOLLARS IN 1995.

IT APPEARS TO ME WHILE THESE TAXPAYER DOLLARS WERE GOING INTO ONE OF THE COMPANY'S POCKETS, THE COMPANY WAS TAKING SOME \$35 MILLION DOLLARS OUT OF THEIR OTHER POCKET SENDING IT TO AN ARGENTINEAN COMPANY, AND ANOTHER \$5 MILLION TO A MOZAMBIQUE COMPANY THAT IS TO BE PAID OVER THE NEXT SIX YEARS. THERE ARE MANY OTHER INTERESTING FIGURES ON THOSE FOUR PAGES OF THEIR ANNUAL REPORTS. TO ME IT LOOKS LIKE CORPORATE SOCIALISM!

OTHERS MAY THINK DIFFERENTLY.

THOSE WHO CLAIM TO REPRESENT CATTLE FEEDERS DO A GRIEVOUS DISSERVICE TO THE STATE'S CATTLEMEN WHEN THEY CLAIM THERE IS NO DIFFERENCE BETWEEN THE DEVELOPMENT OF THE CATTLE FEEDING ENTERPRISES AND THE SUBSIDIZED CONFINEMENT HOG FEEDING OPERATIONS OF SEABOARD INC. AND MURPHY INC. SUCH STATEMENTS ARE AN INSULT TO THE LEGACY OF THE STATE'S CATTLEMEN.

THE STATE'S CATTLE FEEDERS, OVER THE YEARS, DIDN'T GO RUNNING FOR "FREE MONEY" (TAXPAYERS DOLLARS). THEY DIDN'T NEED IT TO BE SUCCESSFUL. THEY BUILT FROM THE GROUND UP, WORKING WITHIN THEIR COMMUNITY WITH A COMMON SENSE APPROACH SO THE COMMUNITY ALSO BENEFITED. THAT WAS THE SECRET OF THEIR SUCCESS.

OVER THE PAST YEARS I HAVE HAD THE OPPORTUNITY TO VISIT WITH NUMEROUS ECONOMIC DEVELOPMENT PEOPLE. HOWEVER, THERE WAS ONE LADY, WHO HAD SPENT CONSIDERABLE TIME WORKING ON RURAL ECONOMIC DEVELOPMENT IN KANSAS OVER THE YEARS WHO IMPRESSED ME WHEN SHE SAID FROM HER EXPERIENCE ONE THING TO ALWAYS REMEMBER IS, IF YOU WANT TO BE SUCCESSFUL IN RURAL ECONOMIC DEVELOPMENT, YOU HAVE TO WORK WITH LOCAL PEOPLE. THEY WILL HAVE A STAKE IN THE PROJECT AND THE COMMUNITY.

SHE CONTINUED ON, IF YOU RELY ON THESE OUTFITS THAT COME FLYING IN WITH ALL THEIR SCHEMES, THEY WILL STAY AS LONG AS THINGS GO WELL. BUT WHEN THINGS GET ROUGH, THEY WILL CUT AND RUN, WHILE THE LOCAL FOLKS WILL STAY OVER THE LONG HAUL. THAT IS WHAT MADE AMERICAN AGRICULTURE THE WORLD'S BEST.

THE HISTORY OF THE FIRST CORPORATE WHEAT FARM IN SOUTHWEST KANSAS AND ITS SUBSEQUENT BANKRUPTCY IN THE EARLY 30'S IS WHAT BROUGHT ABOUT THE FIRST CORPORATE FARM LAW TO KANSAS.

THAT FIASCO DEALT MAINLY WITH LAND. TODAY, WITH THIS CORPORATE HOG ISSUE, WE ARE GAMBLING WITH MUCH MORE. WE ARE GAMBLING WITH THE LIVES OF FAMILIES, COMMUNITIES, THE VERY WATER THEY DRINK AND THE AIR

THEY BREATHE, THEIR VERY FUTURES.

WE CAN'T AFFORD TO GAMBLE WITH PEOPLE'S LIVES, WE CAN'T AFFORD TO GAMBLE WITH PEOPLE'S FUTURE.

THAT'S WHY THESE LOOPHOLES I SPOKE OF MUST BE CLOSED.

ONCE AGAIN WE MUST ASSURE THOSE PEOPLE'S RIGHTS TO VOTE ON SUCH IMPORTANT ISSUES. THERE IS NO PERSON HERE IN THIS BUILDING OR THE GOVERNOR'S MANSION WHO SHOULD TAKE THAT BURDEN UPON THEMSELVES TO SAY OTHERWISE.

WE MUST NOT ALLOW THE INFLUENCE OF CORPORATE DOLLARS TO OUTWEIGH THE "COMMON SENSE" OF THOSE CITIZENS WHO MAY VERY WELL HAVE TO LIVE WITH THAT DECISION FOR YEARS.

A WRONG DECISION HERE COULD BE A SENTENCE OF DEATH FOR SOME.

I WAS SHOCKED AS I LISTENED TO THE HOUSE DEBATE ON THE FLOOR TO HEAR ONE MEMBER DECLARE, "IF WE ALLOW THE CITIZENS THE RIGHT TO VOTE ON THIS ISSUE, OUR JOBS COULD BE IN JEOPARDY BECAUSE THEY WILL THINK THEY OUGHT TO HAVE A SAY ON EVERYTHING". I WOULD NOT HAVE BEEN SURPRISED TO HEAR SUCH A STATEMENT IN RUSSIA A DECADE AGO, BUT HERE IN KANSAS?

I KNOW SOME LEGISLATORS, HOPEFULLY ONLY A FEW, HAVE DECLARED KANSAS CITIZENS (SOME 40,000) "IGNORANT, SUPERSTITIOUS, STUPID, IDIOTS, EMOTIONAL, ETC". SUCH REMARKS REMIND ME OF THE READING OF EARLY AMERICAN HISTORY ON HOW THE KING OF ENGLAND AND HIS TORY ALLIES IN THE COLONIES IN THE 1700'S DECLARED FARMERS, SHOPKEEPERS, CRAFTSMEN TOO IGNORANT, STUPID AND THE LIKES TO EVER BE CAPABLE ENOUGH TO FORM A NATION OR RUN A COUNTRY. THANK GOODNESS THEY WERE PROVEN WRONG.

LET THE CITIZENS VOTE. THEIR COMMON SENSE AND THEIR ABILITY TO VOTE SHOULD BE THE ULTIMATE TEST OF THE STATE'S ENVIRONMENTAL LAWS.

THANK YOU.