

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Joann Flower at 3:30 p.m. on February 10, 1999, in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
 Gordon Self, Revisor of Statutes
 Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Doug Wareham, Vice President, Government Affairs, Kansas Grain and Feed Association
Steve McKinzie, Chairman, Government Affairs, Kansas Pest Control Association
Brett Myers, Executive Vice President, Kansas Association of Wheat Growers
Leslie Kaufman, Assistant Director, Public Affairs Division, Kansas Farm Bureau
Dan Nagengast, The Kansas Rural Center
Diana Endicott, Rainbow Organic Farms
David Burress, Institute for Public Policy and Business Research, University of Kansas
Paul Johnson, Rolling Prairie Farmers Alliance

Others attending: See attached list

Hearing on HCR 5017 - Concurrent Resolution by Agriculture urging Congress to direct the EPA to cease implementation of new restrictions for certain grain fumigants and ensure that allowances on such grain fumigants are reliable.

Chairperson Flower opened the hearing on **HCR 5017**.

Doug Wareham, Vice President, Government Affairs, Kansas Grain and Feed Association, testified in support of **HCR 5017** which was introduced at their request. He explained that the EPA's Reregistration Eligibility Document published on December 18, 1998, would impose stringent new controls on the use of phosphine gas as a grain fumigant. He said that if EPA's efforts to impose these new restrictions are not curtailed by Congress, the loss of the use of phosphine based grain fumigants will compound the grain storage crisis in Kansas. Mr. Wareham requested a technical amendment to **HCR 5017** on page 2, line 17, to change the word phosphide to phosphine. He, also, requested that in addition to the Kansas Congressional Delegation and the President of the U.S. Senate and Speaker of the U.S. House, the Resolution be sent to the Office of the President and the Administrator of the Environmental Protection Agency. (Attachment 1)

Steve McKinzie, President of McKinzie Pest Control of Manhattan and Chairman of the Government Affairs Committee of the Kansas Pest Control Association, spoke in support of **HCR 5017**. The Association believes the risk assessment of pesticides by the U.S. Environmental Protection Agency is more a matter of policy than of true science. He said that it is important to send a strong message to EPA to ensure that scientific data is utilized to intelligently make decisions on future pesticide use. (Attachment 2)

Brett Myers, Executive Vice President, Kansas Association of Wheat Growers, appeared in support of **HCR 5017**. He said that Kansas wheat growers support the existing rules that protect the safety and health of producers, employees, and others. They believe that when used in accordance with the current label requirements, phosphine gas presents a minimal risk to the health of producers or the public. (Attachment 3)

Leslie Kaufman, Assistant Director, Public Affairs Division, Kansas Farm Bureau, testified in support of **HCR 5017** to send a message to Congress that Kansas is concerned about the apparent lack of reliable, scientific-based information used by EPA in developing the registration requirements for aluminum and magnesium phosphide grain fumigants. She said that Farm Bureau members are concerned that the implementation of these new restrictions could compound the grain storage and transportation problems. Ms. Kaufman said that Farm Bureau supports the amendments proposed by Doug Wareham of the Kansas Grain and Feed Association. (Attachment 4)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE, Room 423-S Statehouse, at 3:30 p.m. on February 10, 1999.

Staff called the committee's attention to two other technical amendments that need to be made in **HCR 5017**. The word "gas" should be deleted on page 1, line 38, and on page 2, line 3. Chairperson Flower closed the hearing on **HCR 5017**.

Final action on SCR 1602 - Concurrent Resolution by Special Committee on Ag Rail Transportation urging USDA to use the export enhancement program more.

Chairperson Flower opened discussion on SCR 1602. Representative Johnson moved to recommend HCR 1602 be adopted, and because the resolution is of a noncontroversial nature, be placed on the consent calendar. The motion was seconded by Representative Dahl. After staff determined that a technical error in the bill was a printer's error, the motion carried.

Final action on SCR 1605 - Concurrent Resolution by Agriculture urging Congress to remove or restrict the use of trade sanctions.

Following committee discussion, Representative Schwartz moved to recommend SCR 1605 be adopted, and because the resolution is of a noncontroversial nature, be placed on the consent calendar. Seconded by Representative Johnson, the motion carried.

Chairperson Flower introduced Dennis Hupe, the new Director of Agriculture Products Development Division in the Department of Commerce and Housing.

Dan Nagengast, The Kansas Rural Center, addressed the committee concerning direct marketed agriculture in Kansas. He said that although agriculture is the largest segment of the Kansas economy, the profits from agriculture are increasingly flowing to the input, finance, and marketing sector. He said that the farmers involved in direct marketing are linking directly with the final consumer and are receiving retail prices; or in other instances, they are retaining ownership as far down the middleman chain as possible. He suggested some ways that the State of Kansas might encourage more local production and direct marketing. He included the final report of the 1994 Kansas Farmers Market Fruits and Vegetables Program Test Project Results with his testimony. (Attachment 5)

Diana Endicott, Rainbow Organic Farms, who with her husband owns a 400-acre certified organic farm at Bronson, Kansas, addressed the committee. They also have a conventional family farm located at Fort Scott. She discussed the marketing of their Healthy Harvest tomatoes and Nature's Premium all natural beef. She offered some grant and loan award recommendations for the Agriculture Products Development Division. (Attachment 6)

David Burress, Institute for Public Policy and Business Research at the University of Kansas, spoke on expanding the niche market for local and organic produce in the Kaw Valley. He discussed the focus and goals of the Kaw Valley Environmentally Identified Products Project. He explained the three phases of the project, of which only the first phase, Demand, has been initiated. He discussed a survey of potential consumers conducted as part of the first phase. The Supply and Intermediaries and Market Growth phases are future research and action projects. (Attachment 7)

Paul Johnson, a member of the Rolling Prairie Farmers Alliance, a group of eight organic gardeners who live in Douglas, Jefferson, and Leavenworth Counties, addressed the committee. He reported that RPPFA operates a vegetable subscription service that provides its customers with a bag of produce weekly. He explained that RPPFA is a version of what is known as community supported agriculture of which there are several hundred in the United States. He said that by selling directly to the customer at retail prices, their farms become more economically viable. His group would welcome the opportunity to study niche marketing in greater depth. (Attachment 8)

The meeting adjourned at 5:12 p.m. The next meeting is scheduled for February 15, 1999.

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: February 10, 1999

NAME	REPRESENTING
DAVID BURRIS	UNIVERSITY OF KANSAS
CORA Schlotzer	LEAGUE OF WOMEN Voters-KS
Rep Andrew Howell	DIST # 4 KS.
Hal Hudson	KS Pest Control Assoc.
Steve McKinzie	KS Pest Control Assoc.
Jul Lieber	Ks Coop Council
TOM TUNNELL	KO GRAIN & FEED ASSN.
Don Waggoner	Ks Rural Context
Paul Johnson	Kansas Catholic Conference
Diana Edicott	Rainbow Farms
John STAMER	KANS. DEPT. OF AGRICULTURE
Connz Fischer	KS Dept of Commerce's Housing
Loe Masenthin	UDOC & H
Mark Simmons	KS Assoc. of Wheat Growers
Brett Myers	KS Assoc. of Wheat Growers
Leslie Kaufman	Ks Farm Bureau
Dennis Hupe	KDOCH Ag Div.
SUE PETERSON	KSTATE

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Association

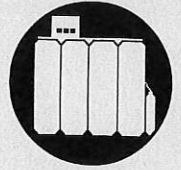
**Statement of the
Kansas Grain and Feed Association

Regarding
H.C.R. 5017

to the
House Agriculture Committee
Representative Joann Flower, Chair

February 10, 1999**

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



*House Agriculture Committee
February 10, 1999
Attachment 1*

Madam Chair and Members of the House Agriculture Committee, my name is Doug Wareham and I am Vice President, Government Affairs for the Kansas Grain and Feed Association (KGFA). The KGFA is a voluntary state association with a membership encompassing the entire spectrum of the grain receiving, storage, processing and shipping industry in the state of Kansas. Our membership includes over 1,250 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. I appear today in support of House Concurrent Resolution 5017 and respectfully request positive consideration of this resolution.

On December 18, 1998, the Environmental Protection Agency (EPA) published a Reregistration Eligibility Document that would impose stringent new controls on the use of phosphine gas as a grain fumigant. Phosphine is one of the few remaining fumigants available to protect raw grains, oilseeds, feedstuffs and processed commodities in on-farm and commercial grain operations in Kansas and across the United States.

Specifically, EPA's proposal would:

- Reduce the exposure standard for phosphine gas from .3 parts per million to .03 parts per million without any clear scientific justification that any reduction is warranted or feasible.
- Prohibit fumigation and aeration of grain storage facilities within 500 feet of residential areas, which would make use of phosphine impractical at most country and terminal elevators and other grain handling and processing operations in Kansas.
- Require notification of local residents adjoining commercial and industrial sites, as well as local authorities (police and fire departments) prior to fumigation.

If EPA's efforts to impose these new restrictions are not curtailed by Congress, we will lose the use of phosphine based grain fumigants and that loss will compound the grain storage crisis we are currently experiencing in Kansas. I'm sure you are aware that during the past two years, record production of wheat and feed grains coupled with weak foreign demand has led to shortages of commercial grain storage capacity in high yield areas of Kansas. These shortages led to over 32 million bushels of grain being piled on the ground in 1997 and over 78 million bushels of grain on the ground in 1998.

While considerable efforts have been made by the commercial grain industry to address the lack of grain storage space experienced the past two years, carryover grain stocks in Kansas, as indicated on the fact sheet attached to my written testimony, have increased dramatically over the past two years. As of December 1, 1998, 760,567,000 bushels of cereal and feed grains were being stored in our state. With a total grain storage capacity

of 1.25 billion bushels, that simply means that as of December 1st, 60% of our available storage space in Kansas was already being utilized. With no immediate change in export demand of our commodities expected, these stocks will continue to increase and the need for phosphine based grain fumigants to maintain the quality of our stored grains will become even more paramount.

While H.C.R. 5017 deals primarily with protecting grain quality, I also want to bring to your attention an issue presently being considered by the House Taxation Committee that will assist the grain storage industry in dealing with the record quantities of grain being produced in Kansas. It is our understanding that the House Taxation Committee will soon be developing a package of tax relief measures for consideration by the full House. It is our hope that package of relief will include incentives for grain storage construction and rehabilitation as proposed by Governor Graves in House Bill 2037. House Bill 2037 exempts the sales tax on materials and services purchased for the original construction, reconstruction, repair or replacement of commercial grain storage facilities. As deliberations continue on the tax relief front this year, we hope you will advise your respective members of the Kansas House of the immediate crisis our industry is faced with and support the components of House Bill 2037.

In conclusion Madam Chair, I do wish to request a technical correction and an amendment to H.C.R. 5017. On Page 2, line 17, we suggest changing the word **phosphide to phosphine**. I have been informed by the Kansas Department of Agriculture and industry experts that when phosphide enters a gaseous state the correct term is phosphine. In addition to the technical correction, we respectfully request H.C.R. 5017 be amended to include language stating this resolution will be forwarded to the **Office of the President and Administrator of the Environmental Protection Agency** in addition to being sent to the Kansas Congressional Delegation and the President of the U.S. Senate and Speaker of the U.S. House. We respectfully request the technical correction and amendment at this time.

Again, I appreciate the opportunity to testify in support of H.C.R. 5017 and ask that you consider this resolution favorably. I would be happy to answer any questions at this time.

Kansas Grain Stocks as of December 1st

December 1, 1998 - 760,567,000 bu.

December 1, 1997 - 714,627,000 bu.

December 1, 1996 - 635,490,000 bu.

Source: Ag Statistics NASS USDA

E. Reregistration Process...Just the FAQs (Frequently-Asked Questions)

(EDITOR'S NOTE: See related article on previous page.)

1. What action is EPA announcing regarding aluminum and magnesium phosphide?

EPA has reviewed aluminum and magnesium phosphide under the agency's Pesticide Reregistration Program and completed review of the human health effects of aluminum and magnesium phosphide, including their potential for causing adverse effects in fish, wildlife and the environment. The agency has identified risks that must be reduced in order for these pesticides to become eligible for reregistration.

The agency is inviting stakeholders and the public to comment on EPA's proposed risk mitigation measures. EPA recognizes that aluminum and magnesium phosphide offer significant benefits in stored commodity and public health pest control, and that alternative pesticides are not available for most of their uses. Stakeholders and the public are encouraged, therefore, to identify measures that will reduce the risks from the use of aluminum and magnesium phosphide.

2. How can grain fumigators, aluminum and magnesium phosphide registrants, and the public participate in EPA's decision about the future use of these pesticides?

To identify the best ways to reduce the risks associated with aluminum and magnesium phosphide, EPA is initiating an extensive public and stakeholder involvement process, including: (1) publishing the agency's risk mitigation proposals in a *Federal Register* notice with a 90-day public comment period; (2) holding two or more open stakeholder meetings in different locations around the country; and (3) consulting with the Phosphine Task Force, a group of scientists assembled by the US Department of Agriculture (USDA).

Aluminum and magnesium phosphide fumigators, registrants, stakeholders and the general public are encouraged to participate in the agency's decision-making process for these pesticides. Interested parties are invited to submit written comments on EPA's risk mitigation proposals and suggestions regarding other possible risk management approaches during the 90-day comment period following publication of the *Federal Register* notice. After the public comment period, EPA will revise its risk mitigation measures accordingly and will discuss the revised measures during stakeholder meetings to be held in Kansas City, MO, and Sacramento, CA within nine months, probably in June and July 1999. Stakeholders who would like to participate in these meetings or who wish to request additional meetings in other locations are asked to send letters of interest to EPA.

At the conclusion of this process, EPA will make final decisions on any regulatory changes necessary to protect human health and the environment regarding the continued use of aluminum and magnesium phosphide and any required label changes that help reduce the risk from the use of products containing these pesticides.

3. What is the Phosphine Task Force and what is its role?

The US Department of Agriculture (USDA), through its Office of Pest Management Policy (OPMP), has convened a Phosphine Task Force to develop possible alternative risk mitigation measures and to consult with EPA on matters regarding the reregistration of aluminum and magnesium phosphide. The Phosphine Task Force is composed of experts from land grant universities and USDA Agricultural Research Service scientists with expertise in commodity storage pest management systems. EPA will work closely with the Phosphine Task Force throughout the public comment period and stakeholder participation process described above.

4. What are the uses of aluminum and magnesium phosphide?

Aluminum and magnesium phosphide are pesticides registered for fumigation of stored food, feed and other agricultural commodities, such as grain (for export and domestic use), peanuts, tobacco, dried fruit, walnuts and almonds to protect them from damage by insects and rodents. They are primarily used indoors in sealed containers or structures like grain silos or elevators, railroad cars, shipholds and warehouses. Few, if any, viable alternative fumigants are available for these uses. Aluminum and magnesium phosphide also are used outdoors for fumigation of burrows to control rodents and moles in agricultural and other non-domestic areas, and for fumigation of windrowed raw agricultural commodities sealed under tarp covers. Both chemicals are classified as restricted use pesticides and may be applied only by or under the direct supervision of certified pesticide applicators.

Both aluminum and magnesium phosphide react with moisture in the atmosphere to produce phosphine gas, the substance which is active as a pesticide. Because of their common mode of action, similar use sites and same methods of application, EPA is considering these two pesticides together for purposes of risk assessment and reregistration.

5. What are the risks of aluminum and magnesium phosphide to humans?

Aluminum and magnesium phosphide are highly toxic when inhaled. They pose risks to pesticide handlers who are not wearing respiratory protection. EPA also is concerned about potential risks to occupational and residential bystanders near treated containers and structures, since these people are not likely to be wearing the necessary respiratory protection. A number of incidents have been reported that are of concern to the agency, although most reported incidents result from product misuse.

6. What are the risks of aluminum and magnesium phosphide to fish, wildlife and the environment?

Given their use patterns and characteristics, these pesticides generally are not expected to pose a significant ecological risk to non-target organisms or water resources. A notable exception is that they do pose risks to some endangered

species that may be found in rodent burrows being treated with these pesticides. In the environment, aluminum and magnesium phosphide degrade rapidly to aluminum and magnesium hydroxide and phosphine, which degrade within days and pose low risks to ground and surface water.

7. What actions is EPA proposing to take to mitigate these risks?

EPA has developed a number of proposals to reduce the potential risk of inhalation toxicity to handlers and bystanders that may be posed by current uses of aluminum and magnesium phosphide. EPA's risk mitigation proposals can be summarized as follows:

i. Applicators would be required to notify local authorities at least 24 hours in advance of the date, time and location of planned fumigation activities.

ii. All fumigation activities would have to be conducted by a certified applicator or within 50 feet and in clear sight of a certified applicator.

iii. Aeration of fumigated railcars and other vehicles while in transit would be prohibited.

iv. Placarding fumigated structures, containers and vehicles would be required.

v. Registrants would be required to establish an incident reporting program.

vi. All persons involved in fumigation/aeration activities would be required to wear respiratory protection during those operations, unless monitoring shows that phosphine concentrations are at or below the established standard of 0.03 ppm.

vii. A two-person operation would be required for any activity that involved entry into a fumigated structure.

viii. A 500-foot buffer zone and restricted area would be required around all fumigated structures to prevent exposure to residential bystanders. Placarding around the perimeter and monitoring prior to reentry also would be required.

ix. More thorough, stringent monitoring of fumigated commodities would be required.

x. Prior to fumigation, structures would be required to undergo seal/leak testing. Leaks would have to be repaired prior to fumigation.

xi. Treatment of burrows for rodent control would be prohibited within 100 feet of a residence (instead of the current 15 feet). This would eliminate residential rodenticide uses of aluminum and magnesium phosphide, but would allow rodent control under other circumstances to continue. Exceptions could be made for public health reasons.

xii. The certified applicator would be required to notify all local residents and bystanders within 750 feet of the structure to be fumigated.

xiii. Registrants would be required to work with EPA and the states to develop a fumigator-specific certification program.

xiv. Additional monitoring would be required around fumigated structures to reduce occupational and residential bystander exposure. No fumigated structure could be reentered until phosphine concentrations declined to 0.03 ppm or less, unless appropriate personal protective equipment (PPE) was worn.

xv. All applicable safety standards would be required to appear on product labels.

Statement by
Steve McKinzie
McKinzie Pest Control, Manhattan, KS
Before the House Agriculture Committee
On
HCR 5017
February 10, 1999

Madam Chairman and Members of the Committee: My name is Steve McKinzie. I am the President of McKinzie Pest Control of Manhattan, and I am also the Chairman of the Government Affairs Committee of the Kansas Pest Control Association.

I am here today to speak in support of House Concurrent Resolution 5017. Our Association of about 100 pest control companies licensed by the Kansas Department of Agriculture is very concerned about administration by the U.S. Environmental Protection Agency (EPA) of the Food Quality Protection Act (FQPA).

FQPA and the proposed restrictions on Aluminum and Magnesium Phosphide are the major focus of our National Pest Control Association. These 2 major issues to our industry are the focus of our upcoming Legislative Day in Washington, D.C. later this month. We will be carrying this same message directly to our Kansas Congressional Delegation during that event.

Currently the risk assessment of pesticides in the FQPA appears to be more a matter of EPA policy than of true science. We strongly believe that the utilization of sound scientific and real world data by EPA (which by the way is required under FQPA) is essential to the proper administration of this federal act. After looking at Senate Concurrent Resolution No. 1609, introduced by this Senate Agriculture Committee, we believe this is a growing concern.

If EPA's current practices of enforcement by policy, rather than real scientific data goes unchallenged, Kansas farmers, grain dealers, pest control businesses, and the consumers of Kansas will all experience higher costs, not only in the production of grain, but every time we go into the supermarket. If the concerns over these fumigants are based in FACT, then that is an appropriate thing to happen, but if they are only policy decisions without basis, then the perceived risk and the restrictions proposed as a result of those perceptions will not result in any benefit.

It is important for us to send a strong message to the EPA to administer the FQPA properly. This means the utilization of the scientific data needed to intelligently make decisions on future pesticide uses. We need to ensure that pesticide use restrictions are based in fact.

For these reasons, we encourage you adoption of HCR5017.

Thank you.

I would be glad to answer questions.

*House Agriculture Committee
February 10, 1999
Attachment 2*



P.O. Box 1266 • Manhattan, KS 66505-1266 • (785) 587-0007 • FAX (785) 587-0003

Madam Chair Flower and Members of the House Agriculture Committee, my name is Brett Myers and I am Executive Vice President for the Kansas Association of Wheat Growers. The KAWG is a nonprofit association of producers with a membership of over 3000 representing over 50% of the wheat production in the State of Kansas.

I appear today in support of House Concurrent Resolution No. 5017 and respectfully request positive consideration of this resolution. I have been involved in the grain production and handling business since I was two years old. I have been involved in fumigating grain on farms and in commercial elevators since I was 13 years old. In that time we have come a long way from fumigating grain with liquid fumigants that were toxic, dangerous, and we had many empty drums to dispose of. Not only is aluminum and magnesium phosphide safe to handle but there is nothing to dispose of but an aluminum canister about the size of a quart milk bottle.

As many of you know, we are in the middle of not only a farm crisis, but also a major grain storage crisis. With the stringent rules that the EPA plans to publish on phosphine, this crisis is only going to worsen. EPA's proposal would prohibit fumigation within 500 feet of a residential area. There is a lot of on farm storage that is within 500 feet of the producer's own residence. This would force producers to take this storage out of use and haul all their grain to commercial facilities expounding the problem we all ready have.

We support existing rules that protect the safety and health of producers, employees, and others. In this regard, we believe that when used in accordance with the current label requirements, phosphine gas presents a minimal risk to the health of producers or the public. The producers of Kansas take very seriously our obligation to produce food that is safe and wholesome, and to do so in a sanitary environment. We are very concerned that EPA's planned actions against phosphine would prevent us from making good on that commitment.

Again, I appreciate the opportunity to testify in support of House Concurrent Resolution No. 5017 and ask that you consider this resolution favorably. I would be happy to answer any questions at this time.

*House Agriculture Committee
February 10, 1999
Attachment 3*



PUBLIC POLICY STATEMENT

HOUSE COMMITTEE ON AGRICULTURE

Re: HCR 5017 - Urging Congress to direct EPA to cease implementation of new restrictions on aluminum and magnesium phosphide based grain fumigants.

**February 10, 1999
Topeka, Kansas**

**Prepared by:
Leslie Kaufman, Assistant Director
Public Affairs Division**

Representative Flower and members of the Committee, thank you for the opportunity to appear before you today and share Farm Bureau's support for HCR 5017. Farm Bureau members across the state are concerned with the significant shortage in grain storage capacity and problems in grain transportation. The Environmental Protection Agency's implementation of new restrictions for aluminum and magnesium phosphide based grain fumigants could exacerbate these storage and transportation challenges.

This past November, the farmer and rancher voting delegates at the 80th Annual Meeting of Kansas Farm Bureau adopted policies for 1999 regarding agriculture chemicals and environmental standards (see attachments). Farm Bureau supports uniform, safe, effective and scientifically-based regulation of agriculture chemical.

*House Agriculture Committee
February 10, 1999
Attachment 4*

Agriculture chemical use should not be banned unless there is scientific proof that such use is detrimental to society. EPA's new reregistration requirements for aluminum and magnesium phosphide are so stringent, they could effectively curtail the use of the fumigant.

We have strong concerns that the new requirements for using aluminum and magnesium phosphide are not based on sound science. For example, the recommended exposure tolerance under the EPA's reregistration eligibility decision (RED) is one-tenth the level considered safe by the Occupational Safety and Health Administration (OSHA).

Regulation of agriculture chemicals should account for the economic impact associated with the regulation. Currently, there is only one other chemical grain fumigant alternative to aluminum and magnesium phosphide, methyl bromide. Methyl bromide has more difficult handling properties and the ability to use it in the future is also in doubt. The inability to treat grain against pest infiltration could have significant economic and food safety repercussions. Any environmental regulation of grain fumigants must be based on factual information, scientific knowledge and economic impact studies.

Approval of HCR 5017 will send a message to Congress that Kansas is concerned about the apparent lack of reliable, scientific-based information used by EPA in developing the reregistration requirements for aluminum and magnesium phosphide grain fumigants. We respectfully request the Committee report the resolution favorably.

Kansas Farm Bureau Resolutions 1999

Agricultural Chemicals

AG-2

We support complete and detailed labeling of all agricultural chemicals. Persons who use agricultural chemicals in accordance with product label instructions should not be held liable for environmental damage. We do not condone the misuse of agricultural chemicals.

We support a uniform, safe, effective, and scientifically-based system of regulation of agricultural chemicals, fertilizers and pesticides, which is consistent with state and federal law and administered by appropriate state and federal agencies.

No governmental agency should have the authority to ban, or continue the ban on, the manufacture or use of any agricultural chemical unless there is conclusive scientific proof that such use is detrimental to society.

We support procedures that allow chemicals now banned from regular use to be utilized by certified applicators in an emergency to control agricultural pest infestations.

We support the development of a program within the Kansas Department of Agriculture to track the use of agricultural chemicals in Kansas through voluntary, confidential reporting.

CONSERVATION AND NATURAL RESOURCES

Environmental Standards

CNR-1

Any legislation that is enacted or any environmental regulations which are proposed for promulgation must be based on: factual information, scientific knowledge, and economic impact studies.

Legislation and regulations regarding damage or "probable damage" to land, water, air, wildlife or endangered species must be supported by data that substantiate actual damage.

Rules and regulations promulgated by any local unit of government or state agency should not put Kansas producers or businesses at a competitive disadvantage with any other state.

Testimony from the Kansas Rural Center
Regarding Direct Marketed Agriculture
February 10, 1999

Kansas is a state known for its production agriculture, vast quantities of beef & grains. And while we often seem to surpass old production records, the number of farms is steadily decreasing, down to around 62,000 at present. One KSU economist has estimated that only about 12,000 of these are actually generating all the income needed by the families which farm them. The last ten years or so, we have witnessed decreasing margins in agriculture. Most farms hover right on the edge of profitability, some years profitable, often not.

Yet agriculture remains the largest segment of the Kansas economy. The profits from agriculture are increasingly flowing to the input sector, finance, and the marketing sector. Because Kansas is a commodity state, we have attempted to put more profit in agriculture by bumping up the production of commodities, in hopes of opening overseas markets. This sometimes works fine, but can also be risky, as witnessed by the recent Southeast Asian collapse. And always, the margin flowing to the producer grows slimmer.

What we are presenting to you today, is information on a totally different economy, a regional one. Many of the farmers and ranchers engaged in this economy have eliminated other profit takers. They have linked directly with the final consumer, and are receiving retail prices. In other instances, they have differentiated their products, taken them out of the global commodity price market, and retain ownership as far down the middleman chain as possible. Much of their activities take place in and around urban areas.

According to a study by the American Farmland Trust, using census data:

- 56% of Gross Ag. Sales in the U.S. are from Metropolitan Statistical areas or the counties immediately adjacent to them.*
- 91% of Total Specialty Crop Sales take place in the same areas*
- According to the same study, Metropolitan areas of Kansas are clearly underserved by local, direct marketing farmers.*
- Specialty crops can provide a gross return of up to \$20,000 per farmed acre. Specialty crops can include vegetables, herbs, fruit & flowers.
- Net returns on direct marketed specialty crops are in the 50-60% range.**

* *American Farmland*, Summer 1993.

** *Growing for Market*, January, 1997.

*House Agriculture Committee
February 10, 1999
Attachment 5*

Larry Swain, a community development specialist at the University of Wisconsin, surveyed about 5,000 residents in 18 communities in Wisconsin and Minnesota, and found that small farmers spend 75 percent of their money locally, compared with people in a medium-sized city who spend only 54% locally.

For his study, Swain devised a formula to account for the number of times money spent locally gets respent in the community. By this calculation, a farm with a gross income of \$200,000 that is then multiplied through the local economy is worth \$720,000 to the community. By the same formula, a family with an income of \$40,000 is worth \$86,000 to the local economy. Thus, to replace one farm, it will take eight \$40,000 incomes. (summer 1998, *Orion Afield*, The Orion Society, 195 Main St., Great Barrington, MA 01230).

Mean Deviation - Gross Revenue\$/acre. Figures appeared in *Summary of Kansas Specialty Crop Enterprise Data*, KSU, Coltrain, Boland, Delano & Marr

Corn	\$124.40
Milo	\$115.00
Soybeans	\$160.15
Wheat	\$96.01

Vegetables

Beets	\$5,239.85
Peppers	\$5,367.39
Tomatoes	\$4,446.24
Potatoes	\$2,625.57
Broccoli	\$4,687.65
Zucchini	\$12,494.56

Fruits

Apples	\$1,266.53
Plums	\$395.77
Watermelon	\$1,990.78
Cantaloupe	\$2,479.79
Strawberries	\$2,583.99

Some ways that the State of Kansas might encourage more local production and direct marketing:

- Target efforts of KDOCH towards direct marketing cooperatives rather than commodity based cooperatives.

- Encourage more purchase of local commodities by institutions (schools, prisons, feeding programs, etc.)

- Establish the Farmers Market Nutrition Program which targets federal WIC dollars for disbursement in the form of coupons redeemable only at farmers markets.

- Increase the exemption for farm slaughtered and marketed poultry above the current 1,000 bird limit.

- Establish reciprocity with surrounding states on meat inspections so that Kansas meat might cross over into Missouri, etc.

- Help to establish, and promote venues where farmers might direct market, (for example; the produce auctions of Missouri and Pennsylvania; the combination terminal and farmers markets of Tennessee and North Carolina).

- Promote agri-tourism by funding regional marketing associations such as those in the counties of Northern California.

Final Report
1994 Kansas Farmers Market Fruits And Vegetables Program
Test Project Results

What is the Program?

The WIC Farmers Market Nutrition Program (FMNP) is a federally funded program which provides nutritionally-at-risk women and their children with coupons for fresh fruits and vegetables, redeemable only at approved farmers markets. The program is the newest of the U.S. Department of Agriculture's food assistance programs, and was established by act of Congress in July 1992.

The FMNP is associated with the Special Supplemental Food Program for Women, Infants and Children, popularly known as WIC, which is administered in cooperation with the States by the Food and Nutrition Service of USDA. WIC provides supplemental foods, health care referrals and nutrition education at no cost to low-income pregnant, breastfeeding and non-breastfeeding post-partum women, and to infants and children up to 5 years of age, who are found to be at nutritional risk.

In Fiscal Year 1994, the number of sites with operating programs increased from 11 to 26, including 24 states, the District of Columbia and the Cherokee Nation of Oklahoma. During Fiscal Year 1993, 342,000 recipients received benefits. As of October 12, 1994, 782,630 individuals were served through 801 participating farmers markets and 214 participating farmstands, by 6,612 participating farmers. Federal funding amounted to \$5,608,173. State and private or other funding sources amounted to \$3,907,501 and \$157,370 respectively.

In Kansas

The Kansas Rural Center (KRC) began meeting in early 1993 with representatives of the Kansas Department of Health and Environment (KDHE) and the Kansas State Department of Agriculture (KSDA) to determine the feasibility of expanding the program to Kansas. At that time the Rural Center agreed to pursue funding for a pilot program of the FMNP. Funding was finally procured from the United Presbyterian Church Hunger Program and the United Church of Christ's Board for Homeland Ministries.

At that time the decision was made to proceed with a test project during the summer of 1994. In the intervening period, KDHE, for internal reasons, decided to no longer participate in the project. Since no State agency had funding available to administer the project, it could not serve as an official "Pilot Project" within the meaning of the Federal enabling statute. However, because there was such little knowledge of the program within the state of Kansas, KRC and the KSDA decided to conduct a "Test Project of the Kansas Farmers Market Fruits and Vegetables Program" which would provide essentially the same services at the FMNP. The goals of the Project were:

1. To provide fresh fruits and vegetables to nutritionally-at-risk mothers with infants and children.

2. To increase sales of locally grown fruits and vegetables at the targeted farmers market, (Lawrence).
3. To build awareness in Kansas of the similar federal program known as the Farmers Market Nutrition Program, with the thought of establishing that program in the state.

The decision was made to provide \$5,000 worth of coupons in \$2 denominations. The coupons were printed by the KSDA and distributed through the Salvation Army office in Lawrence. Of that total, \$2,800 in coupons were actually distributed to 140 women in booklets totaling \$20, redeemable from June 20, 1994 through July 30, 1994. A total of \$2,382 in coupons were redeemed, or 85.07% of those in circulation.

The program was received positively by practically everyone involved, recipients, farmers and the Salvation Army caseworker:

Quotes:

WIC Mothers

“It helped me to purchase fruits and vegetables that I would not have been able to afford otherwise. I wasn’t even aware that there was a farmers market.”

“The quality here was better than at (another town where she used to live). I wouldn’t have even tried the market in Lawrence.”

“The program was really good. I wish this was more than a one time thing.”

“Farmers were very helpful in telling us how to prepare foods. What can you do with a zucchini?”

Farmers

“I had customers that came back after the coupon program was over.”

“One lady came with a whole fistful of coupons and bought nothing but eggplant.”

“I had one woman who bought \$20 worth of tomatoes for canning.”

“We were adding people to the farmers market (as customers) who were really good to add.”

“Some of them were afraid. They didn’t know what they were walking in to.”

“Some were surprised that we would accept the coupons.”

“These got to people who weren’t working the welfare system.”

“Its a good program. Do it again.”

Betsy Anderson-Caseworker at the Salvation Army

“Some of the mothers were afraid they would be treated differently, but they said they were treated like everyone else, or even better. In some cases they were given better deals when the farmer found they were using the coupons.

A lot of recipients were young mothers and the farmers were helpful with recipes.

I think it is a wonderful program and I think it should be continued. It is beneficial not only to WIC mothers and their children, but also to farmers. I hope it can become permanent.”

Other States

Surveys have been conducted in other states which have a longer history with the program. In New York State in 1991, 79.8% of all WIC families redeemed coupons. Of these, 96% indicated they bought a lot more fresh fruits and vegetables than they normally would have purchased. Over half, 51%, had never shopped at a Farmers Market prior to the program and a large percentage continued to do so. In addition, 62% continued to shop using some of their own funds after using all the coupons.

During that year there were 644 farmers at 83 different markets who accepted the coupons. Farmers reported that the coupon program increased their total sales by 21%, in coupons alone, or \$1,488.99 per farmer. This does not include purchases made by the WIC mothers using their own funds.

Conclusions are that the program brought a whole new group of customers to the farmers markets, improved nutrition, and benefited farmers incomes.

Next Steps

FMNP funds are provided through a legislatively mandated set-aside in the WIC program appropriation. Federal funds support 70 percent of the total cost of the program. States operating the FMNP must match the Federal funds allocated to them by contributing at least 30 percent of the cost of the program. The matching funds can come from State, local, or private sources. A State agency can also count funds used to support similar farmers markets operating in the State in meeting the match requirement. States may issue Farmers Market coupons to other groups, such as elderly person or older children, with the matching funds they provide.

Interim rules for the program were published in the Federal Register, Vol. 59, No. 48, Friday, March 11, 1994, Rules and Regulations. States desiring Federal funding must submit a State Plan which details the estimated cost of their FMNP, the estimated number of individuals to be served, a description of how the program will be administered, and the criteria for the authorization of farmers. Since Federal funds are limited, the State Plans are ranked according to the following criteria: a State’s prior experiences with this or similar programs; a State’s operation of a similar

program with State or local funds that can present data concerning the value of the program; require that if the State is already operating a similar program, it not reduce it upon receiving Federal funds; if the state has a high concentration of eligible persons with access to farmers markets, in a broad geographical area; the State will adequately fund its portion of the project.

Kansas, through the Legislature, could appropriate the funds and direct either the Kansas Department of Agriculture or the Kansas Department of Health and Environment to set up a Farmers Market Nutrition Program. It is also possible that some of the State's costs could be covered by private fundraising activities.

It is our hope that the Legislature will consider this worthwhile program, which serves to both increase farming opportunities and provide improved nutrition to our most at-risk population, with one appropriation.

For further information, please contact:

The Kansas Rural Center
Attn: Dan Nagengast
P.O. Box 133
Whiting, KS 66552
(913) 873-3431
(913) 873-3432 fax

AGRICULTURE NICHE MARKETING OPPORTUNITIES

Brief Biography-Diana Endicott Rt. 1 Box 117 Bronson, KS 66716
316-939-4933 Fax 316-939-4980
Email allnatural@ckt.net

My husband, Gary, and I own and operate a 400-acre certified organic farm in southeast Kansas. We raise hydroponic vegetables, grain crops, have a cow/calf herd, and a small feed-out operation. A conventional family farm is located in Fort Scott. We returned home to farm in 1994.

Greenhouse Vegetables-

We raise primarily hydroponic tomatoes for Balls Food Stores. We also sell to whole food stores and upscale restaurants in KC. A marketing pool was formed in 1995 with three other local growers. This allows us to increase product volume and consistency, combine supply orders, and decrease marketing cost. We have established on-farm grading and packing criteria, delivery scheduling, and pricing. The products are trademarked '**Healthy Harvest**'.

All-Natural Beef-

In 1996 Rainbow Organic Farms formed an informal group of beef producers. In March 1998, this group of 20 producers organized as the all-natural beef producers cooperative. A test market for **Natures Premium** all-natural beef was conducted with Hen House Markets in KC. The test market proved successful and Natures Premium was introduced into the market in May 1996. The co-op was provided the opportunity to provide approximately 200-300 head of beef per week. However, the lack of financial support resulted in the market opportunity being filled with another branded program. Only a portion of the beef is Kansas raised and the beef is fed-out and processed in Nebraska and Iowa. Nevertheless, we continue to make progress. We maintain retail shelf space, R&D five value-added products for commercialization, and continue to be innovative in our marketing approach.

Grant and Loan Award Recommendations-

'Agriculture Products Development Division'

1. Establish a grant portion for feasibility studies, business plans, and value-added R&D and a guaranteed loan portion.
2. Define the application guidelines and point allocations.
3. Specify application proposal dates and deadlines.
4. A board should determine Grant and loan awards.
5. The loans awarded should be guaranteed loans through a financial institution.
 - a. This would increase the community awareness of the efforts and support of the Agriculture Products Development Division.
 - b. Provide more time for the staff to assist other projects requiring nonfinancial needs.
6. Provide workshops throughout the state on completing the application.

'A grant writing workshop for adding value agripreneurs'.
7. If a business plan and feasibility study are required as part of the application, this needs to be stated.

House Agriculture Committee
February 10, 1999
Attachment 6

Recipes

Musclun Salad

4 cups spring lettuce mix
1 medium size ripe tomato
pinch of salt-pepper
1 tablespoon extra virgin olive oil
1/8 cup (more or less to taste) balsamic vinegar

In a large bowl, toss lettuce mix and sliced tomato with olive oil, salt and pepper. Let set 5 minutes. Toss with balsamic vinegar. Serve at once. Serves 4.

Roasted Bread Crostini

4 medium size tomatoes
4 tablespoons extra virgin olive oil
pinch of salt-pepper
1/2 cup shredded mozzarella cheese
1 loaf baguette bread, sliced

Cut tomatoes in half and place on cookie sheet. Drizzle with olive oil and salt and pepper. Roast at 450° for 30 minutes, until brown and bubbly. Place in bowl and mash. Spread a thin layer of the roasted tomato mixture on baguette bread slices. Top with shredded mozzarella cheese. Toast in oven until cheese is melted. Serve while warm. Makes approximately 25 slices.

Note: Tomatoes should not be refrigerated. Store at room temperature out of direct sunlight.

Are You
Ready to Try

Healthy Harvest

RAINBOW ORGANIC FARMS

316-939-4933

e-mail: allnatural@ckt.net

Tired of
TASTELESS
COLORLESS
HARD

Tomatoes from
"Who Knows When"



Time to try...

Healthy Harvest

Healthy Harvest

- Juicy, Luscious, with that Tangy Real Tomato Summer-Time Flavor
- Naturally Grown Pesticide Free
- Picked Fresh Daily and Hand Packed
- Vine Ripened to Full Color
- Deep Crimson Red with Superior Flavor

Pure water, natural sunshine and modern technology is how Rainbow Organic Farms bring their exceptional fresh produce to you year around.

Tomatoes are grown in a controlled environment, vine ripened to premium quality, naturally rich in vitamins and minerals but best of all they have a superb taste!

Healthy Harvest tomatoes are grown locally on family farms very near this store. The tradition of hard work, personal pride and integrity helps insure the consistent quality of tomatoes.

When House Markets have chosen to provide their customers with premium quality hydroponic tomatoes while supporting the family farm concept. Purchase of these products demonstrates support for local farming and the economy.

We Thank You
for selecting
Healthy Harvest Tomatoes
and welcome your
comments and inquiries.



Zarsa di Pommodora

This is a simple, delicious, fresh tasting sauce, that over pasta can be a wonderful side dish or a tasty meal in itself. The zarsa also works well over vegetables such as fresh green beans. Enjoy!

Ingredients

- 1 medium yellow onion, finely diced
- 1/2 cup virgin olive oil
- 3 medium garlic cloves, minced
- 8-9 medium, ripe tomatoes, cored and coarsely chopped
- 1 pinch crushed red pepper
- 1 pinch sugar
- salt to taste
- 1/4 cup fresh basil

In a large saute' pan, heat the olive oil. Add the onions and cook over medium heat until they are transparent. Add the garlic and saute' 3 more minutes. Then add the tomatoes, salt, sugar, and red pepper. Cook for about 15 minutes, stirring occasionally. The fast cooking allows the sauce to thicken quickly, but be careful that the heat is not too high or it will burn. Just as it is finishing, add the basil and cook one more minute. Toss with pasta (preferably capellini or spaghetti) and top with lots of freshly grated parmesan, romano, or a mixture of both. The sauce is good for about 1-1 1/2 pounds of pasta.

Lynn Edelman

Sabetha, KS
500 Acres
70 Head



Lynn Edelman is a fourth generation farmer who began growing chemical free 15 years ago. "I was not happy with farming until we quit using chemicals. Natural or organic is the way I like to market my beef and I always wanted a channel where I could market from my farm right to the store," says Edelman. The All Natural Beef Producers Cooperative has provided him with that direct link to the consumers who buy his beef.

Facts to Know & Share

Beef can be part of a heart-healthy diet. For example, a 3oz. serving of beef top round (trimmed after cooking) has 150 calories, 4 grams of fat, 1 gram of saturated fat, and 70 milligrams of cholesterol. The same size serving of roasted, skinless chicken breast has 120 calories, 2 grams of fat, 1 gram of saturated fat and 70 milligrams of cholesterol.

ALL NATURAL BEEF

PRODUCERS COOPERATIVE

*A New Generation of
"Natural"
to Ensure a Healthy Future.*

RAINBOW
ORGANIC FARMS

316-939-4933

c-mail: allnatural@ckt.net

NATURE'S
PREMIUM



ALL NATURAL
BEEF

When You
Know the Facts
and Taste
the Difference,
It's the
**Obvious
Choice.**

Why Should I Buy “All-Natural” Beef?

When you buy Gourmet “All-Natural” Beef, you are buying the best for your family and their health. Our beef has just the right amount of marbling and is processed the old fashioned way to give it an exceptional juicy and robust flavor. Once you experience the taste of this local specialty, you will appreciate the difference.

The Benefits of All Natural

Raising cattle with no growth hormones or subtherapeutic antibiotics is the key to our great tasting beef. Food is better when the folks raising it care. Small local family farms very near this store provide the tradition of hard work, personal pride and integrity that helps insure the consistent quality of “All-Natural” Beef.

This project is funded by the North Central Region of the USDA's Sustainable Agriculture Research and Education (SARE) program.

Corn Fed and Free Ranged

Our All-Natural Beef is corn fed and free-ranged. Our cattle eat only the best quality grain and hay when not on pasture. They are corn fed 20 to 30 days longer than conventional beef. No animal by-products are fed to any of our cattle. We employ the best animal husbandry practices to reduce stress and maintain healthy cattle.

Locally Raised

“All-Natural Beef” is locally raised by Kansas farm families. Under optimum conditions on our farms there is little need for antibiotics. Growth hormones are not used due to an increased public concern for residuals. Livestock in vigorous good health resist disease and pests. Proper nutrition allows us to maintain good health without the use of antibiotics or growth hormones.

Costs More, But It's Worth It!

It costs about 25% more to raise beef the “All-Natural” way. Right from the start there is extra care and handling. Each producer must follow strict USDA approved quality control procedures, be certified and sign veterinarian affidavits. We are small farm and ranch operations producing 10-100 head per year. We believe in and practice sustainable agriculture not only to achieve the health and environmental benefits but also to economically produce beef a new way to hold on to an old way of life – the family farm.

A New Experience in Eating Beef

Hen House Markets have chosen to provide their customers with premium quality “All-Natural Beef” while supporting the family farm concept. Purchase of these products demonstrates support for local family farms and a strong rural economy.

EXPANDING THE NICHE

LOCAL MARKETS FOR LOCAL AND ORGANIC PRODUCE IN THE KAW VALLEY

12/5/98

IPPBR Kaw Valley EIP Project

1

presented to
**THE KANSAS HOUSE AND SENATE
AGRICULTURAL COMMITTEES**

February 10, 1999

presented by
David Burress

for the
Kaw Valley Project on Local and Organic Produce
University of Kansas

12/5/98

IPPBR Kaw Valley EIP Project

2

*House Agriculture Committee
February 10, 1999
Attachment 7*

Study team

- Institute for Public Policy and Business Research (IPPBR) and KU
 - David Burress, Principal Investigator
 - Pat Oslund, Research Economist
 - Brian Harris, Research Economist
 - Dennis Rosen, Professor of Business

12/5/98

IPPBR Kaw Valley EIP Project

3

Study team, continued

- Consultants
 - Diana Endicott, Rainbow Greenhouses
 - Dan Nagengast, Kansas Rural Center
 - Paul Johnson, Rolling Prairie Farmers Alliance
 - Mara Miele, University of Pisa
 - Luanne Lohr, University of Georgia

12/5/98

IPPBR Kaw Valley EIP Project

4

Focus on specialty products

- “Environmentally Identified Products” (EIPs) include agricultural products such as:
 - certified organic produce
 - locally grown products
 - low-impact products
 - integrated pest management (IPM) products
 - grass-fed beef

12/5/98

IPPBR Kaw Valley EIP Project

5

The KAW Valley EIP project

- Goals
 - action research/pilot project
 - increased local farm income
 - increased local sales of EIP produce
 - reduced environmental burdens
 - increased consumer sovereignty
 - amelioration, not revolution

12/5/98

IPPBR Kaw Valley EIP Project

6

The KAW Valley EIP project

- Project Phases
 - 1. The demand side (in progress)
 - 2. The supply side (proposed)
 - 3. Intermediaries and market growth (proposed)

12/5/98

IPPBR Kaw Valley EIP Project

7

The KAW Valley EIP project (continued)

- The “Action Research/Pilot Project” idea
 - Apply scientific research to local markets
 - communicate results to local market participants
 - test the results in local markets
 - evaluate outcomes
 - communicate outcomes to potential change agents in other markets

12/5/98

IPPBR Kaw Valley EIP Project

8

The KAW Valley EIP project (continued)

- Funding for Phase 1
 - Fund For Rural America (now out of business)
- Defining “the Kaw Valley”
 - Demand side: Manhattan to Kansas City SMSA
 - 800,000 household units
 - est. \$700M annual sales of produce
 - Supply side: in Kansas and within easy driving distance

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IPPBR Kaw Valley EIP Project

9

Survey results

- A majority of Kaw valley consumers claim to consume local and/or organic produce.
 - 40% purchased produce at a farmer’s market in the last year
 - 36% purchased organic food at least “occasionally”
 - 56% did one or both.

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10

Survey results (continued)

- Main barrier volunteered by non-purchasers
 - no answer or uninterpretable 33%
 - high price, cost, or cost/benefit 20%
 - availability, convenience 19%
 - habit, haven't thought about it 10%
 - don't like them, don't believe in them 8%
 - lack of knowledge 4%
 - have a garden 3%
 - don't trust certification 2%
 - poor appearance, low quality 1%

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11

Implications for potential market

- Estimated long-run potential market for locally grown organic produce: 10% of all produce sold in Kaw Valley (\$80M/year)
- Assumptions:
 - local organics will dominate the EIP market
 - persistent and effective marketing
 - prices no more than 20% above non-EIPs
 - equivalent quality to non-EIPs
 - local produce available on average 30% of year

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12

Implications for future research and action

- We want to show that:
 - local organic produce can be a significant value-added product in the Kaw Valley
 - local organic produce can be a relatively low-capitalization, easy-entry farm niche in the Kaw Valley
 - local organic produce can ameliorate the atrazine problem in the Kaw Valley

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13

Next steps

- Complete research on consumers
- Find new funding sources
- Study the Kaw Valley farm potential
- Study Kaw Valley intermediaries and marketing methods
- Intervene to help solve the “chicken and egg” problem

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14

FIN

Comments or questions? Contact:

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15

TESTIMONY
PAUL JOHNSON
SENATE AND HOUSE AGRICULTURE COMMITTEE
FEBRUARY 10, 1999
ALTERNATIVE AGRICULTURE AND NICHE MARKETING

My name is Paul Johnson and today I come before this committee as a market gardener and a member of the Rolling Prairie Farmers Alliance. Rolling Prairie Farmers Alliance(RPFA) is an incorporated group of eight gardeners who live in Douglas, Jefferson and Leavenworth Counties. RPFA was started in 1994 and we are now entering our sixth season of selling fresh, seasonal vegetable, fruit and farm produce.

RPFA operates a vegetable subscription service weekly from mid-May to the end of October which is approximately 25 weeks. This season we are planning to provide 360 households with a bag of produce weekly. We use three sites for pick-up of this produce. One site is on Monday at the Community Mercantile Cooperative Grocery in Lawrence which is where RPFA started in 1994. The other two sites are on Thursdays in Kansas City at the Franklin Center which is in Kansas City, Kansas and The Food Bin in Shawnee Mission, Kansas. RPFA is a group of eight small family farms, all of which are committed to farming organically and sustainably. We believe our customers deserve the best in locally grown seasonal produce.

RPFA is a version of what is known as community supported agriculture(CSA). There are several hundred CSA's in the United States especially in the upper midwest, the northeast and in California. RPFA is one of the largest of these CSA's and unique in drawing several gardeners together in this cooperative arrangement. Most CSA's are operated off of one farm. By working together RPFA can provide a wider range of produce than any one of our growers could manage alone. Over six years there have been many times when one of our gardeners was hailed out or flooded and we were able to cover that loss with the production from our other farms. The micro-climates are really quite different from the Clinton Lake area to central Leavenworth County. We offer over seventy different food items over the course of the growing season. A typical bag of produce will have nine to eleven items where every customer will get four items and have a choice for the other items. Each week we include a newsletter on growing conditions or a history of a certain food as well as a recipe to use some of the produce in that weeks bag. RPFA now has its own cookbook written by Nancy O'Conner the nutrition educator at the Community Mercantile Cooperative Grocery. Nancy has worked with and provided recipes for RPFA since we started. On Mondays, Nancy provides samples of the recipe of the week to our customers and other shoppers at the Community Mercantile.

There are food items that RPFA buys from other local producers. Such items include asparagus, apples and shiitake mushrooms. RPFA sells several items as extras for the bag if customers are interested. Such items include cut flowers, eggs, frozen meat(pork, lamb and beef), honey, extra berries and large quantities of herbs or tomatoes for processing purposes. All of these extras are produced on RPFA farms. Special orders for large quantities are always welcome.

Overall there is a great demand for this type of vegetable subscription service. RPFA has had a waiting list for the last few years. There are only a handful of such services in the Kansas City area. Compared to farmers markets where a grower may or may not be able to sell their produce that week, a CSA works on selling larger volume and having the customers lined up before a grower puts that seed in the ground. Maintaining the highest quality is the real key to maintaining maximum customer satisfaction. RPFA uses customer surveys and continual discussion to find out how our quality is doing and what food items do our customers most favor. Our prices are very good for the organic market and somewhat higher than the normal seasonal price for conventional produce. By selling direct to the customer at retail prices, our farms become more economically viable.

*House Agriculture Committee
February 10, 1999
Attachment 8*

I serve as a board member for the Kansas Rural Center. The Kansas Rural Center (KRC) is committed to economically viable, environmentally sound and socially sustainable rural culture. KRC has been analyzing the Kansas food system by comparing what is consumed within Kansas and what is produced in Kansas. It is apparent that there is tremendous opportunity for production, especially for fruits and vegetables. Kansas is seeing a reduction in the diversity of crops and are increasingly relying on imported food as our source of fruits, vegetables and other specialty crops.

Most of the food commodities that Kansas imports are high value fruit and vegetable crops. Among crops well suited for Kansas agriculture, Kansas only produces 10% of the asparagus consumed within the state. (Kansans consume 1250 acres of asparagus annually but only produces 125 acres.) In 1996, Kansas produced 5% of the Irish potatoes that were consumed in Kansas. By supplying this other 95%, Kansas could generate over \$20 million in retail sales. In 1996, Kansas consumed 25 times more tomatoes than it produced. Kansas only produces four percent of the onions consumed in the state and less than one percent of the peppers consumed. From 1980 to 1996, Kansas apple production declined by over 18 million pounds which is worth over \$7 million in retail value. Other fresh fruit production such as peaches, strawberries and raspberries have also declined even though the economic opportunities for these crops are great.

This type of analysis could be done for several other food items. There are greater gaps today in the quantity and quality of production data for specialty crops and consumption patterns are subject to proprietary market sales. For those of us who want a regional based sustainable meat supply, the plight of the 100 or so remaining meatlockers and their immediate future is of great concern. There is only one state inspected meatlocker (in Bronson) where one can take chickens to be processed in a state inspected plant and sold in the retail market. I do not believe there are any independent milk processors in Kansas where a small dairy could have milk pasteurized, bottled and sold to niche markets under that farmers label. The organic milk and butter market trade has had tremendous success in the last few years. Kansans have to import Organic Valley milk from Wisconsin or Horizon milk from Colorado.

RPFA and KRC would welcome the opportunity to study these issues in greater depth. Such discussions would center around marketing opportunities, research needs of niche marketers, credit programs for small/beginning farmers and consumer education programs to publicize local food production. This discussion would explore the role of farmers markets and what Kansas could do to promote such markets. Economic analysis would determine how much of a multiplying effect there is in producing and keeping a food dollar local. Kansas does much to promote small business centers. Niche, agricultural market business planning should be integrated into the curriculum of some of these small business development centers. Overall, Kansas has the climate, the natural resources and the capabilities to greatly diversify our food system and pride ourselves in creating such a cornucopia.