

Approved: 3-2-00  
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Steve Morris at 10:00 a.m. on March 1, 2000, in Room 423-S of the Capitol.

All members were present except: Senator Donald Biggs (E)  
Senator Stan Clark (E)  
Senator Tim Huelskamp

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

Conferees appearing before the committee:

Greg Krissek, Assistant Secretary, Kansas Department of Agriculture  
Ken McCauley, Chairman, Kansas Corn Commission  
Dean Stoskopf, President, Kansas Association of Wheat Growers  
Greg Shelor, President, Kansas Grain Sorghum Producers Association  
John Wray, Director, Kansas Soybean Association  
Donnie Young, Past-President, Kansas and Southwest Kansas Corn Growers Association  
Stanley Larson, Kansas Agricultural Alliance  
Jere White, Executive Director, Kansas Corn Growers Association and Kansas Grain Sorghum Producers Association  
Leslie Kaufman, Assistant Director, Public Policy Division, Kansas Farm Bureau

Others attending: (See Attached)

Hearing on:

**HB 2674 - structure of grain commodity commissions**

Greg Krissek, Assistant Secretary, Kansas Department of Agriculture, testified in support of **HB 2674**, which he said would give Kansas grain producers significantly more input, control and effective use of their checkoff moneys (Attachment 1).

Ken McCauley, Chairman, Kansas Corn Commission, appeared in support of **HB 2674** to restructure the Kansas Grain Commodity Commissions (Attachment 2).

Dean Stoskopf, President, Kansas Association of Wheat Growers, testified in support of **HB 2674**, stating passage of this bill would accomplish increased flexibility, full access to check-off funds, and increased accountability to grain producers (Attachment 3).

Greg Shelor, President, Kansas Grain Sorghum Producers Association, provided testimony in support of **HB 2674** saying this proposal is good for the state and for the growers (Attachment 4). **HB 2674** will save the state nine full time employees, the commissions will actually be more accountable to the Kansas Legislature and to the growers, and it will provide for grower-elected commissions.

John Wray, Director, Kansas Soybean Association, testified in support of **HB 2674** saying that growers would have a better opportunity to have direct representation with their investments on the soybean checkoff and would allow interest from collected funds to be used to finance additional research, education, market development, and promotional opportunities (Attachment 5).

Donnie Young, Past-President, Kansas and Southwest Kansas Corn Growers Association, appeared in

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE, Room 423-S of the Capitol, 10:00 a.m., on March 1, 2000.

support of **HB 2674** stating that with today's farm economy it is important to allow check-off commissions to operate efficiently, to let growers have more input as to what programs are supported and who will represent them, and to spend checkoff funds and interest on those funds to make farming more profitable for farmers (Attachment 6).

Brett Myers on behalf of the Kansas Agricultural Alliance testified in support of **HB 2674** (Attachment 7).

Jere White, Executive Director, Kansas Corn Growers Association and Kansas Grain Sorghum Producers Association, provided an overview of **HB 2674** in support of passage of **HB 2674** (Attachment 8).

Leslie Kaufman, Assistant Director, Public Policy Division, Kansas Farm Bureau, testified in support of **HB 2674** advising that some of the important provisions that would benefit producers were: 1) the interest earned on commodity commission funds now held by the State would be retained by the respective commissions and be available for their intended market development purpose; 2) members of the commodity commissions would be elected by growers rather than being political appointees; 3) the State would no longer retain \$100,000 of producer check-off moneys for administering the funds; and 4) check-off funds would be focused directly and on a timely basis to producer-managed projects and programs, rather than requiring approval of the Legislature which often requires several months (Attachment 9).

The hearing on **HB 2674** was continued to March 2, 2000.

Senator Umbarger made a motion to approve the minutes of the February 22, 2000 meeting as submitted. Senator Stephens seconded. The motion carried.

The next meeting will be March 2, 2000.

# SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: 3-1-00

NAME	REPRESENTING
Julie Jimison	Ks Grain + Fed Assn
Leslie Kaufman	KFB
Ken McCauley	Ks. Corn Comm.
Tere White	Ks. Corn Growers Assn.
Brett Myers	Ks. Wheat Growers Assn.
Greg Shelor	KS Grain Sorghum Assn.
Dean Staskopf	Ks Wheat Growers Assn
Carole Jordan	KDA
Dennis Morrice	Ks Soybean Assoc.
John Wray	KS Soybean Assoc.
David Fry	Ks. wheat Comm.
Trent Ledoux	Ks Corn, Sorghum + Soybean Comm.
Ron Maize	KS Soybean Comm.
Donnie Young	Ks Corn Growers
MARY McCAULEY	GUEST
Linda Buchheister	Ks Wheat Comm
Stanley Schmitz	Ks. Grain Sorghum Comm.

STATE OF KANSAS

BILL GRAVES, GOVERNOR  
Jamie Clover Adams, Secretary of Agriculture  
109 SW 9th Street  
Topeka, Kansas 66612-1280  
(785) 296-3558  
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KANSAS DEPARTMENT OF AGRICULTURE

Senate Agriculture Committee

March 1, 2000

Testimony Regarding HB 2674

Greg Krissek, Assistant Secretary of Agriculture

Mr. Chairman and members of the Committee, thank you for the opportunity to appear today to support H.B. 2674. I will leave the specifics of the legislation to others scheduled to testify and will instead spend my time outlining the history of this proposal and the Kansas Department of Agriculture's (KDA) role.

Approximately one year ago, former Secretary Allie Devine met with the Kansas Corn, Grain Sorghum and Soybean Commissions to discuss their needs and explore possible ways to enhance commission operations to maximize benefits and returns to Kansas producers. From these meetings, the Commissions formed a working group comprised of three members (including each Chairman) from each commission to identify and pursue such opportunities. KDA staff were assigned to the working group to facilitate and research issues as they were identified.

The working group met several times through the first half of 1999 and identified issues relating to flexibility, producer control and statutory structure. These meetings were held in conjunction with representatives from the commissions' respective producer organizations and other agricultural groups who expressed interest in the project.

As a result of the working group's efforts, the three full commissions housed at KDA—corn, grain sorghum and soybeans—their respective producer organizations and representatives from the Kansas Association of Wheat Growers held a joint meeting in August 1999 in Salina. During this meeting, general approval was given to pursue the types of detailed proposals that exist in H.B. 2674 for your review today.

*Senate Agriculture*  
*3-1-00*  
*Attachment 1*

KDA included this conceptual proposal in its legislative package presented to the Governor's office in September 1999, and received notice and approval of support of the concept from the Governor in October 1999.

The Kansas Wheat Commission also began reviewing the proposal in the fall of 1999 and formally asked the Governor's office to be included in the effort in November 1999.

Several of the other conferees today will outline the specific benefits this proposal will create for Kansas producers. But, from my standpoint, I would highlight the following:

- H.B. 2674 creates flexibility for Kansas grain producers to be responsive to new opportunities within a framework they choose. Farmers today are faced with incredible demands for flexibility—in and from market whims, production choices and customer demands. However, the government structure that governs their checkoff research and market promotion opportunities is relatively inflexible in terms of contracting, budgeting and personnel. That is why the majority of checkoff programs around the country have a statutory charter but are allowed to operate in the private sector.
- H.B. 2674 gives Kansas producers greater returns on their checkoff dollars by removing the state's opportunity to use farmer dollars earned through interest and administration of these programs. At a time when the agricultural economy faces severe challenges, this is a step the state can take to enhance new product and market development opportunities.
- H.B. 2674 opens the selection process to producers for managing their own checkoff investments. The producers will select their own commissioners in an open and available process. The details of this approach are the primary items amended into the bill by the House Agriculture Committee.
- The overall state budget will be reduced significantly (\$7.6 million in FY2001), yet the programs will continue operating and accruing benefits to Kansas grain producers.
- An appropriate level of accountability will remain with provisions included for funds management, record keeping and annual reporting to the legislative and executive branches of government. This is another item that has been strengthened and detailed by the House Agriculture Committee amendments.

- H.B. 2674 does not alter current statutory provisions on refunds and should facilitate greater cooperation and joint partnerships for day-to-day operations between the commissions.

In closing, the Department believes H.B. 2674 gives Kansas grain producers significantly more input, control and effective use of their checkoff investments. When this legislation is enacted, KDA stands ready to assist the four commissions with the transition and implementation to the new system for the overall benefit of Kansas agriculture.

# Kansas Commodity Commissions

109 SW 9th St. Topeka, Kansas 66612-1282 Phone (785) 296-3738 Fax: (785) 296-2247  
commodities@kda.state.ks.us

## Testimony Before the Senate Agriculture Committee

## On House Bill 2674 Concerning the Structure of the

## Kansas Grain Commodity Commissions

March 1, 2000

Good morning Chairman Morris and members of the Senate Agriculture Committee. My name is Ken McCauley and I currently serve as Chairman of the Kansas Corn Commission. My family and I farm a diversified grains operation near White Cloud, Kansas.

I am happy to be here today and to participate in your review and discussion of House Bill 2674, which proposes restructuring the Kansas Grain Commodity Commissions. Also, I have been asked to introduce the other commissioners who are here with me today. They are:

Kansas Wheat Commission:	David Frey
Kansas Grain Sorghum Commission:	Stanley Schmitz, Seneca
Kansas Soybean Commission:	Ron Maike, Alma

Early last year, the Kansas Corn, Grain Sorghum and Soybean commissions met with then-Secretary Allie Devine to begin discussing ways to improve the flexibility, operations and benefits created for producers by commission activities and projects. KDA staff facilitated a sub-committee of the three commissions, which met several times to study new options and opportunities for attaining these goals. Late last summer, representatives from the Kansas Wheat Commission joined the working group in these discussions.

The commissioners have participated in preparing and reviewing the concepts HB 2674 would implement. We look forward to today's discussion and we will be happy to answer any questions that you wish to direct to us.

*Senate Agriculture*  
3-1-00  
Attachment 2





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

Chairman Morris and Members of the Senate Agriculture Committee:

Good morning! I am Dean Stoskopf, a fourth generation agricultural producer from Hoisington, Kansas.

I am the President of the Kansas Association of Wheat Growers, an organization representing approximately 3,000 Kansas wheat producers.

Today, I am here to testify in support of House Bill #2674, which will restructure the grain commissions in Kansas.

The Kansas Association of Wheat Growers was a driving force in the establishment of the Kansas Wheat Commission in 1957. The other grain commissions were created in the 1970's. The Kansas Legislature created the grain commissions to help producers help themselves through the funding of research, the promotion and development of markets, and through the education of producers and consumers about these commodities. The Kansas grain commissions have worked to accomplish these goals.

Agriculture has changed dramatically since these commissions were established. State government, including the Kansas Department of Agriculture, has also changed over the years.

Today, I see three main reasons for restructuring the grain commissions, all of which would be accomplished with the passage of House Bill 2674. They are: increased flexibility, full access to check-off funds, and increased accountability to the grain producers.

- **Flexibility:**

With the passage of this bill, the grain commissions will be able to respond quickly to the rapid changes of today's world. Issues that affect agriculture and grain producers do not easily fit into the legislative budget process that we have today. This is especially true of research and consumer education issues.

These funds are generated by a check-off from crop production. Grain production in Kansas can vary greatly from year to year. This makes planning and budgeting under the current legislative budget process very difficult.

*Senate Agriculture*  
*3-1-00*  
*Attachment 3*



- **Full Access to Check-Off Funds:**

Currently, carryover funds and interest earned from check-off funds remain within the state's general fund. These funds are a check-off from our grain sales, not a tax on our grain production. The grain commissions need the ability to have full budgetary control and full access to these funds. If there are years of high production, the commissions need the ability to set aside funds for long-term research projects rather than funding those projects on a year to year basis. Under the current system, low production years can dramatically affect important research projects.

- **Increased Accountability to Grain Producers:**

Currently, the people serving on the grain commissions are appointed by the Governor. There is a legal requirement that each grain commission have a certain mix of political parties represented by the commissioners. This process has worked in the past and the commissioners have generally been appointed without difficulty. However, this appointive process has not given the individual producer a voice in selecting who manages his or her check-off funds.

The proposed election process for the grain commissions gives individual producers the opportunity to vote for grain commission members. It also gives individual producers the ability to seek positions on the grain commission. These changes should increase producer involvement in the Kansas grain commissions.

There have been many good discussions about what the Kansas Legislature can do to help agriculture in Kansas. While the Kansas Legislature can give input, many of the issues can only be decided and acted upon at the federal level.

House Bill 2674 is one area where you can take action to help Kansas producers help themselves.

Thank you.

Dean Stoskopf, President  
Kansas Association of Wheat Growers  
1286 Susank Road  
Hoisington, KS 67544  
316-653-7579

## TESTIMONY

**TO:** Kansas Senate Committee on Agriculture  
**FROM:** Greg Shelor, President  
**DATE:** March 1, 2000  
**SUBJECT:** HB-2674

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Good morning Chairman Morris, members of the committee, I am Greg Shelor, a farmer from Minneola, Kansas and President of the Kansas Grain Sorghum Producers Association. I am here today to testify in support of HB-2674.

While I am here today as an association president, I had the privilege of serving on the Kansas Grain Sorghum Commission for 13 years. During those years I had a chance to see the different styles of structure and organization that various states use in their commodity promotion and research efforts. The concept of having the administration of the commissions in the private sector is not new or unique. Most checkoff programs in other states are operated in the private sector. The Kansas corn, grain sorghum, soybean and wheat commissions are among a very small minority of state-administered checkoff funds. Although I do consider myself a pretty conservative thinker, I can easily appreciate that after a few decades any program could probably use a little overhaul. That is what HB-2674 does. The commissions certainly are not broken...but they can be improved.

A simple way to illustrate how operating within the state system creates a challenge is to simply look at the funding of grain sorghum plant breeding programs. The Kansas Grain Sorghum Commission provides critical funding in this area. Private companies are more focused on crops with higher total acreage and fewer acres per bag of seed purchased at a higher price...such as corn. Any project that involves growing grain sorghum

in the field will be one that runs from spring to fall or winter. Under the state system, budgeting and contracts

are done in a July 1<sup>st</sup> to June 30<sup>th</sup> time frame. Sometimes things just don't fit well in the current system. In addition, any contract must go through the lengthy state budget process. Quick response is not in the state's vocabulary. It is not anybody's fault in particular, the state just isn't set up for it. If a commission wanted to respond to an immediate need, they might be hard pressed to do so. Not because they didn't have the funds, but because they don't have a flexible mechanism to provide funding. We need more flexibility.

This proposal is good for the state. It moves more than 9 full time employees from the state's payroll and lessens the administrative burden placed on several areas of the Kansas Department of Agriculture that support the operations of the Corn, Grain Sorghum and Soybean Commissions. At the same time, the commissions will actually be more accountable to the Kansas Legislature and more importantly, the growers.

This proposal is good for the growers. It will provide for grower elected commissions to better utilize the checkoff funds they now collect and it will allow those commissions to put interest earned on those funds to work for growers. There is no change in how refunds are dealt with or in the assessment rates to growers.

I urge this committee to favorably pass HB-2674. Thank you.



Kansas Soybean Association  
2930 S.W. Wanamaker Drive  
Topeka, Kansas 66614  
Phone (785) 271-1030 or (800) 328-7390  
E-mail: ksbean@inlandnet.net

## Testimony before the Senate Agriculture Committee

By  
**John Wray**  
Director, Kansas Soybean Association  
March 1, 2000

Good morning chairman Morris and Senators, my name is John Wray and I live and farm in rural Franklin County near Ottawa. I appreciate this opportunity to speak to you in support of House Bill 2674, the restructuring of the commodity commissions.

As a farmer, I grow the commodities corn, grain sorghum, and soybeans and contribute to each of the commodity checkoff programs that are the focus for today's hearing.

I currently serve as a Director of the Kansas Soybean Association, and it is from the state's soybean grower's perspective that I offer this testimony.

Our organization has a good working relationship with the Kansas Soybean Commission. It was the vision and hard work of many soybean growers of the Kansas Soybean Association that saw a need for an entity to collect funds from sales of commodities to finance additional research, education, promotion and market development opportunities within the state's soybean industry. The Kansas Soybean Association appreciates the action of the state legislature that led to the creation and establishment of the Kansas Soybean Commission.

The Kansas Soybean Commission has done an excellent job of administering the state's soybean checkoff program, however, as with many programs, some changes and modifications are needed to make the program even more efficient and responsive to the Kansas soybean grower.

The concept of restructuring the commodity commissions is not new.

In fact, several states already have this form of supervision with regards to the soybean checkoff.

Missouri...Iowa...Minnesota...Illinois...Indiana . . .and most recently Nebraska are just a few of the states that have their state soybean promotion and market development boards, or commissions if you will, all privatized.

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*3-1-00*  
*Attachment 5*

Nebraska made the switch in 1991, and with their change they too adopted the format of having their commissioners go from being appointed by the governor, to the new system of having the commissioners directly elected by the growers. The system has benefited the Nebraska soybean grower, and it will benefit the Kansas soybean grower.

By having elected officials represent the commodity grower, the grower has more of a voice on how his checkoff funds are to be allocated. It will also force the grower to be better educated about how his money is being utilized for research, education, promotion, and market development opportunities.

Because there is a national soybean checkoff program, soybeans and collected funds from the checkoff actually fall under the jurisdiction of the USDA and the United Soybean Board. Annual audits are performed and therefore credibility and accountability are still present.

Let me summarize by saying House Bill 2674 should be adopted to offer growers a better opportunity to have direct representation with their investments on the soybean checkoff. It would allow interest from collected funds to be used to finance additional research, education, market development, and promotional opportunities. And passage of H.B. 2674 would place Kansas in a similar position as our neighboring states, and that would allow the soybean commission the opportunity to act more quickly on submitted proposals to educate the producer as well as the consumer.

I again appreciate this opportunity to address the Senate

Agriculture Committee, and I would be pleased to answer any questions from the Committee.



## TESTIMONY

**TO:** Kansas Senate Agriculture Committee  
**FROM:** Donnie Young, Past-President  
**DATE:** 1 March 2000  
**SUBJECT:** H.B. 2674

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Chairman Morris, members of the committee, my name is Donnie Young. I am a first generation farmer from Ulysses, Kansas and am the Past-President of both the Kansas and Southwest Kansas Corn Growers Associations. As a grower of corn, grain sorghum and wheat in Southwest Kansas, my family and I have invested in the commodity checkoffs throughout my farming career. I believe this plan to transfer the administration of the commissions out of state government is in the best interest of Kansas producers.

I am one who believes that farmers must provide for the promotion and research of the crops that they grow. However, prior to my involvement on the board of KCGA, I had minimal knowledge about the work and programs of the Kansas Corn Commission. I have seen several changes in the past few years in efforts to "get the word out" from the Corn Commission. But the bottom line is that that when commissioners are appointed by a governor rather than selected by their peers, a process of interaction is not a requirement. I don't mean this as a criticism of the current commission. They, like me, are farmers with more than enough on their plate. But without a process that requires this interaction, such as the elections and annual reporting required by HB-2674, it will not likely occur. Under the current structure, a commissioner who makes efforts to interact will find it hard to gather other growers for discussion because in the end, the governor, not the growers, makes the choice as to who will represent them. If the governor appointed all legislators, it would be hard to garner interest and enthusiasm for the process out in the country. The commodity commissions are spending growers' money,

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*Attachment 6*

so it only makes sense that growers should be able to decide who represents us on those commissions. The commissions, producers, and the State of Kansas will benefit from this proposed change. And remember, producers may request a refund if they don't support the commission programs. It is a pretty good deal, refunders benefit from the research and other commission supported programs for the cost of a stamp and a little time.

With today's farm economy, it's now more important than ever to allow our checkoff commissions to operate efficiently. It is time to let growers have more input as to what programs are supported and who will represent them. It is time to spend checkoff funds and the interest on those funds to make farming more profitable for farmers like me and for our children who will one day farm our land.

On behalf of the members of the Kansas Corn Growers Association and the Kansas corn industry, I respectfully ask you to support HB-2674. Thank you.

# Kansas Agricultural Alliance

Kansas Agricultural Aviation Association

Kansas Agri-Women

Kansas Association of Ag Educators

Kansas Association of Conservation Districts

Kansas Association of Wheat Growers

Kansas Cooperative Council

Kansas Corn Growers Association

Kansas Crop Consultant Association

Kansas Dairy Association

Kansas Ethanol Association

Kansas Farm Bureau

Kansas Fertilizer and Chemical Association

Kansas Grain and Feed Association

Kansas Grain Sorghum Producers Association

Kansas Nursery and Landscape Association

Kansas Livestock Association

Kansas Seed Industry Association

Kansas Veterinary Medical Association

Kansas Soybean Association

Western Retail Implement and Hardware Association

Kansas Pork Producers Council

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March 1, 2000

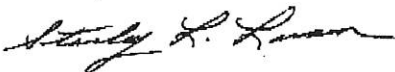
Chairman Stephen Morris  
Chairman of the Senate Agriculture Committee  
Statehouse  
Topeka, KS 66612

Dear Chairman Morris,

The Kansas Agricultural Alliance is writing in support of HB 2674, the bill concerning grain commodity commissions. The member organizations of the Ag Alliance, listed on this page, have voted unanimously to endorse and support this legislation.

Thank you for your consideration.

Sincerely,



Stanley L. Larson  
President

*Senate Agriculture*

*3-1-00*

*Attachment 7*



# Overview of HB-2674

*Senate Agriculture*

*3-1-00*

*Attachment 8*

**Jere White**

**Executive Director**

**Kansas Corn Growers Association**

**Kansas Grain Sorghum Producers Association**

**PO Box 446, Garnett, KS 66032**

**800-489-2676**

# **Kansas Grain Commodity Commissions**

**Kansas Department of Agriculture**

**Kansas Corn Commission**

**Kansas Grain Sorghum Commission**

**Kansas Soybean Commission**

**Kansas Wheat Commission**

**Separate state agency**

# **Commission Structure Working Group**

- Kansas Department of Agriculture
- Kansas Corn Commission
- Kansas Wheat Commission
- Kansas Grain Sorghum Commission
- Kansas Soybean Commission
- Kansas Association of Wheat Growers
- Kansas Corn Growers Association
- Kansas Soybean Association
- Kansas Grain Sorghum Producers Association
- Kansas Farm Bureau

# **Why HB-2647, a bill to make changes in the structure of the Kansas Commodity Commissions?**

**Flexibility**  
**Consistency**  
**Opportunity**  
**Responsiveness**  
**Return on Investment**

## **Flexibility**

...authority to contract for all functions with private sector for quicker turnaround on administrative functions.

## **Consistency**

Structure

Authority

Districts

...would enhance regional benefits for Kansas producers, especially those that produce multiple commodities.

## **Opportunities for Cooperation**

Single Remittance Site for First Purchasers

New Strategic Alliances

Cooperative Education & Outreach

Cooperative Election Process

Further project coordination

## **Responsiveness to Market and Grower Needs**

Increased outreach and feedback.

More flexible systems lead to quicker response to new opportunities.

Not tied to state calendar.

## **Better Return on Producer Investment**

Interest earnings would accrue to Commission accounts.

\$100,000 payment to the SGF would be eliminated.

Investments could be made in a timely manner, not driven by state budget timetables.



## **Accountability Would Remain**

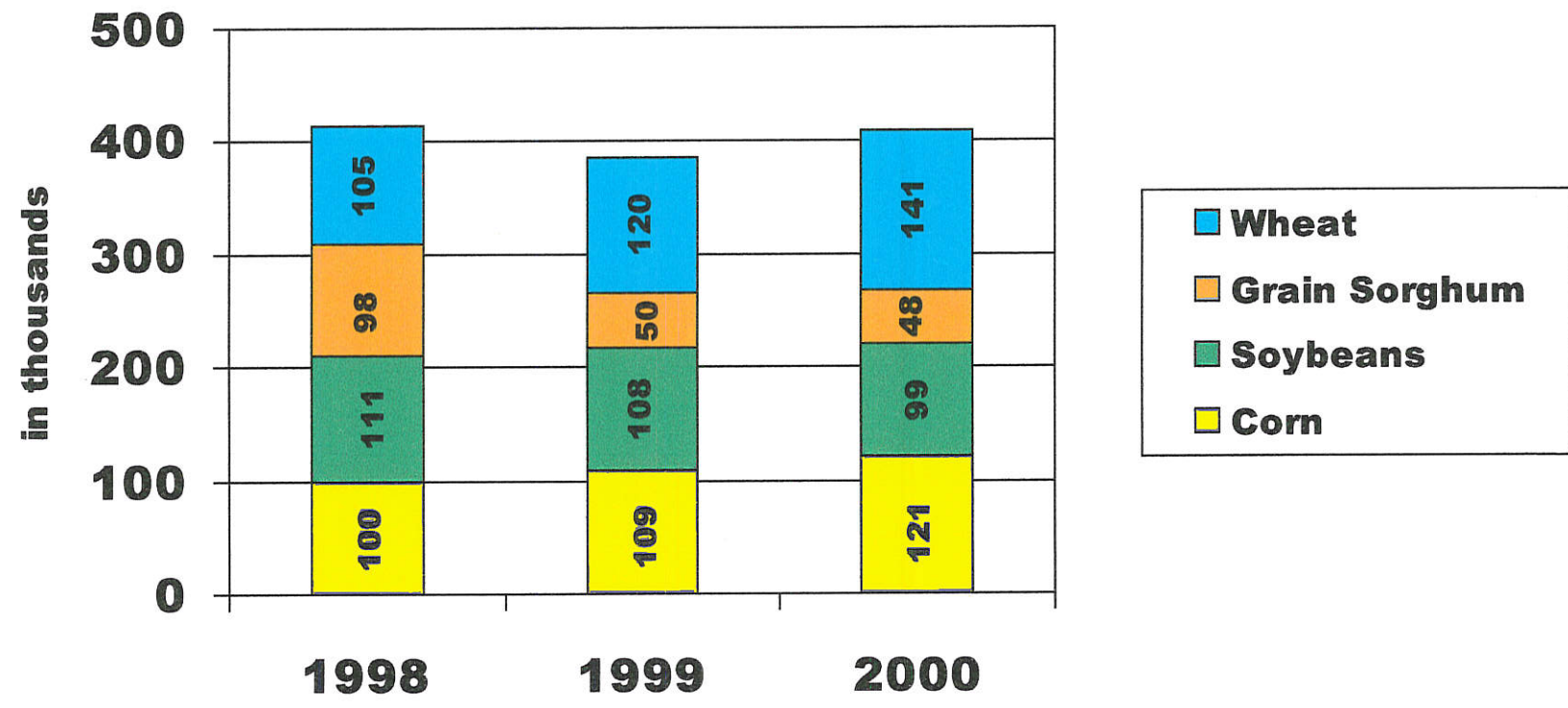
State oversight for auditing and investments.

Refund provisions would not change.

Annual reports to the growers, Secretary, & Ag Committee.

Election procedure would provide for grower oversight.

# Potential Interest Income

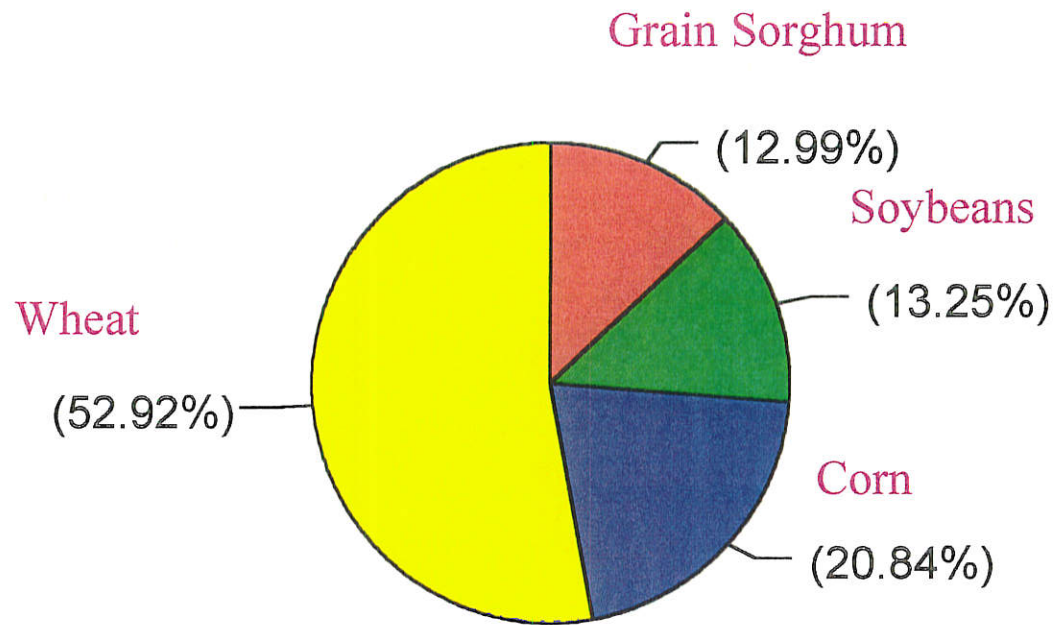


# Current State General Fund Investment

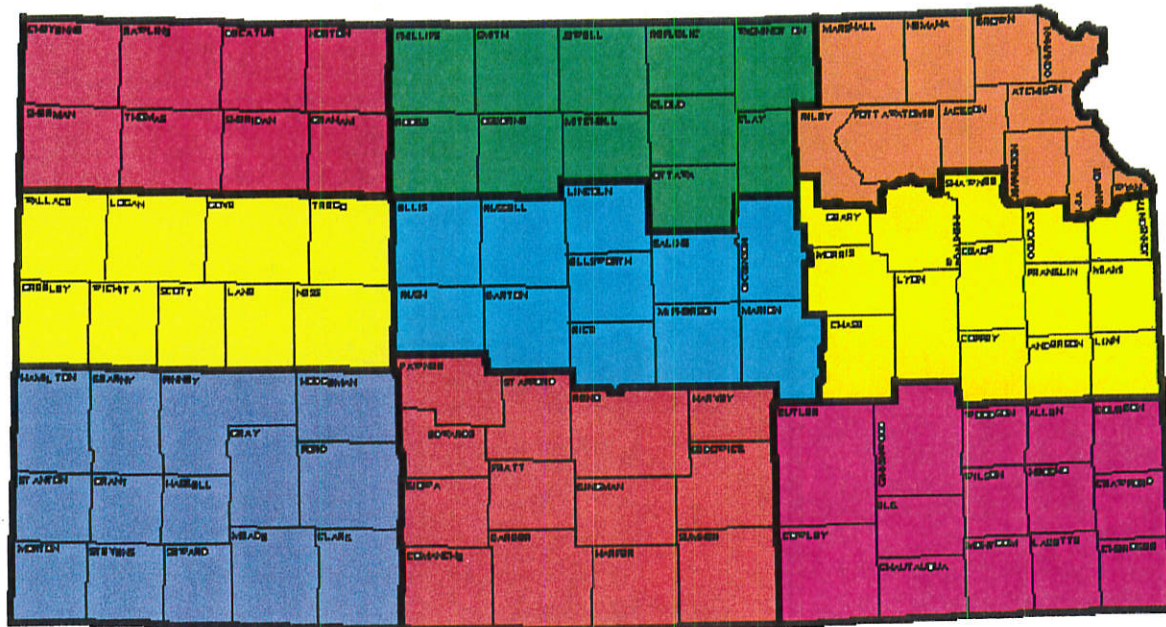
FISCAL YEAR 2000

## 5 Year Average

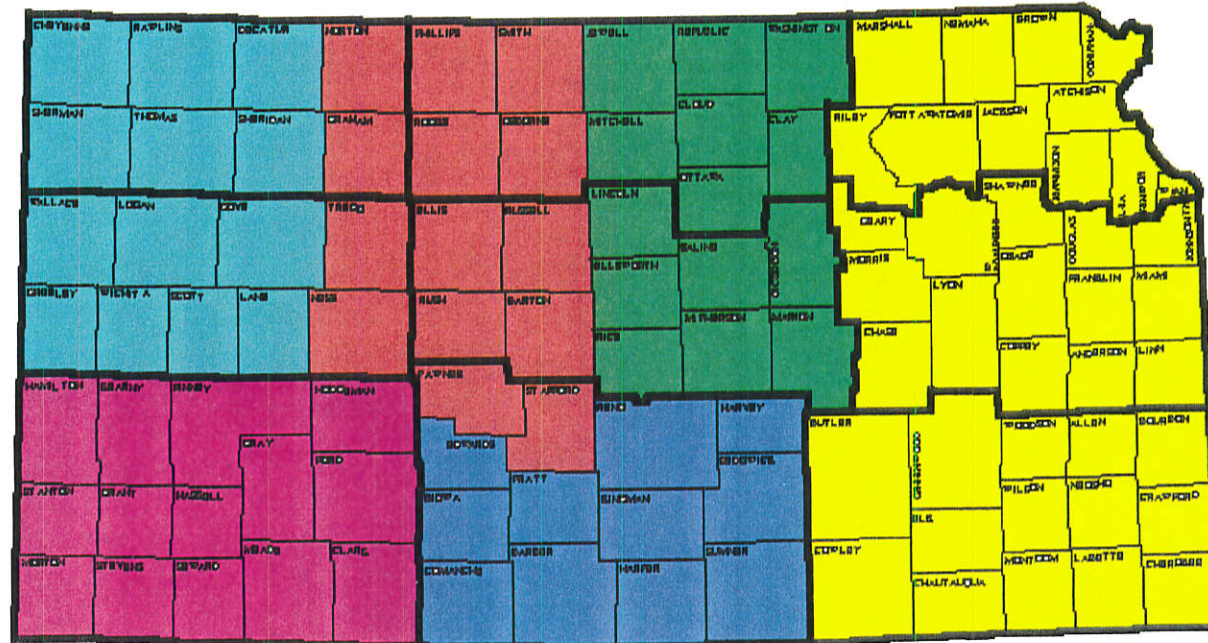
Wheat	45.64
Corn	20.98
Grain Sorghum	15.56
Soybeans	17.82



# Current Kansas Corn & Grain Sorghum Commission Districts (also agricultural statistics crop reporting districts)

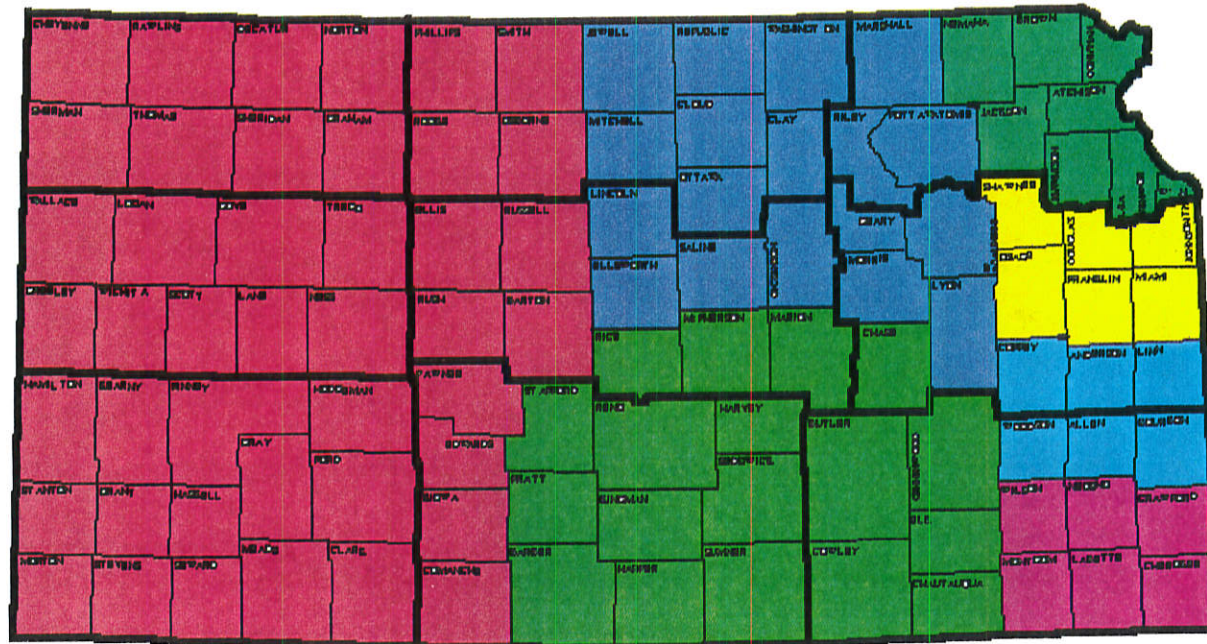


# Current Kansas Wheat Commission Districts



# Current Kansas Soybean Commission Districts

8-14



## Major components of HB-2674

Remain chartered by the state but be be privately managed.

Similar to Kansas Dairy and Sheep Commissions.

Similar to other states' commissions.

Be outside state budgeting, administrative, and personnel system.

Allow more performance-based actions.

Private sector simply runs more efficiently.

Eliminates duplication that currently exists.

Corn, Grain Sorghum & Soybean Commissions would have own authority.

Currently only advisory to the Secretary.

# Major components of HB-2674 (continued)

## New Method for Commissioner Selection.

- No longer a partisan political issue.
- Representation based on crop reporting districts.
- At-large seats could respond to production changes.
- Easy participation for the producer:
  - Coordinate elections geographically for all commissions, easy voter registration, and ballot by mail.

## A Smooth Transition.

- Existing commissioners would remain in office during transition.
- Producer Outreach/Education for 18 months



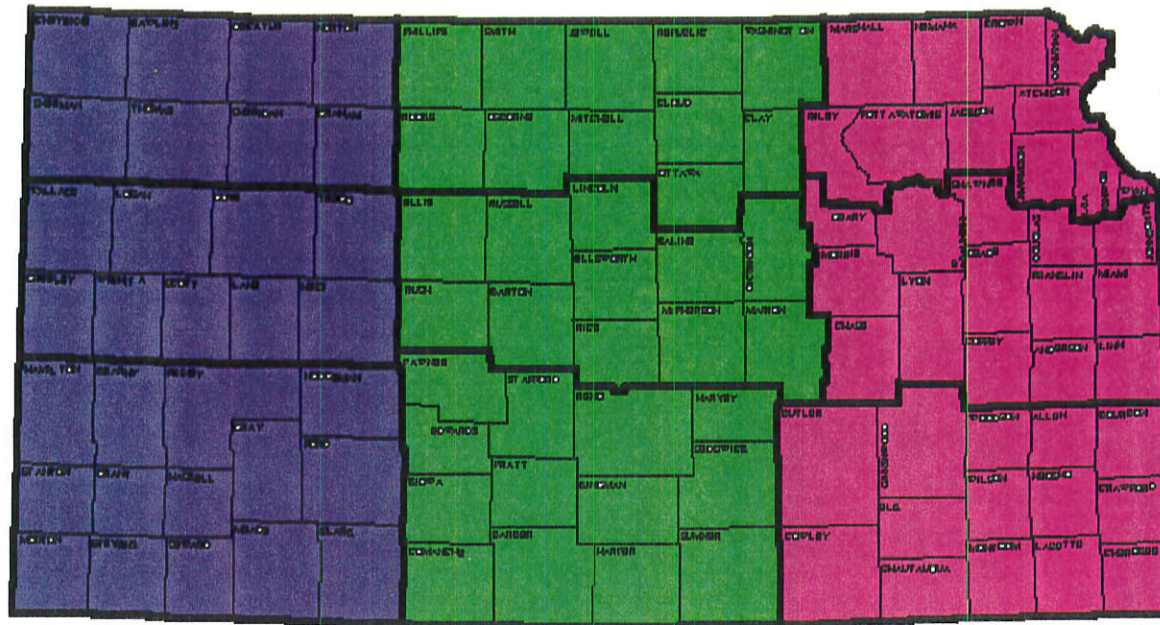
# Proposed Election Cycle Districts

First Election:

Spring 2002

Spring 2003

Spring 2004





# PUBLIC POLICY STATEMENT

## SENATE COMMITTEE ON AGRICULTURE

**RE: HB 2674 – Restructuring the Grain Commodity Commissions.**

**March 1, 2000  
Topeka, Kansas**

**Presented by:  
Leslie Kaufman, Assistant Director  
Public Policy Division  
Kansas Farm Bureau**

Chairman Morris and members of the Senate Committee on Agriculture, Kansas Farm Bureau appreciates this opportunity to express our support for restructuring the corn, grain sorghum, soybean and wheat commodity commissions of Kansas. My name is Leslie Kaufman and I serve as the Assistant Director of the Public Policy Division for Kansas Farm Bureau.

While the grain commodity commissions have served producers quite well during past years, it is time to restructure. Our farm and ranch members insist now is the time to restructure in order to allow greater producer check-off dollars to be directed, on a more timely basis, to issues and projects resulting in increased amounts of Kansas grain being marketed and utilized. This is even more important during these times of low grain prices, caused at least in part from high yields in many areas, dwindling exports, inadequate storage and transportation challenges.

The issue of restructuring the grain commissions is not new. Discussions have occurred numerous times over the years. Extensive debate among all stakeholders the past year has produced a plan that is under consideration today. KFB's Resolutions Committee examined the issue and advanced information to its membership. The 442 Voting Delegates attending the 81<sup>st</sup> Annual Meeting of Kansas Farm Bureau adopted

*Senate Agriculture  
3-1-00  
Attachment 9*

policy calling for some changes. More recently, KFB's Feedgrains, Oilseeds and Wheat Advisory Committees reviewed the proposed legislation.

Kansas Farm Bureau believes HB 2674 includes a number of important provisions that will benefit producers. Some of these include:

- *The interest earned on commodity commission funds now held by the State of Kansas would be retained by the respective commissions and be available for their intended market development purpose.*
- *Members of the commodity commissions would be elected by growers, rather than being political appointees.*
- *The State of Kansas would no longer retain \$100,000 of producer check-offs for administering the fund.*
- *Check-off funds would be focused directly and on a timely basis to producer-managed projects and programs, rather requiring approval of the legislature which often requires several months.*

Kansas producers of agricultural commodities and products should have the opportunity to provide financial support for research, utilization, public education and market development for their commodities and products. KFB strongly urges all producers to continue their support of commodity check-off programs. The importance of commodity commissions and the self-help funds derived from the check-off programs makes a thorough examination of this restructuring proposal a necessity and a high priority.

KFB, when testifying before the House Agriculture Committee, requested a few of the provisions in HB 2674 be examined and amended. Our concerns were addressed by the House Committee amendments and we appreciate the committee's action.

Kansas Farm Bureau supports restructuring the Kansas corn, grain sorghum, soybean and wheat commodity commissions. We believe HB 2674 contains a sound basis for achieving this important task and we ask that you recommend HB 2674 favorable for passage. Thank you!