

Approved: 3-7-00
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 2, 2000, in Room 423-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee:

 Doug Wareham, Kansas Grain & Feed Association and Kansas Fertilizer and Chemical Association

Others attending: (See Attached)

Senator Umbarger made a motion to approve the minutes of the March 1, 2000 meeting as submitted. Senator Downey seconded. The motion carried.

Continued hearing on:

HB 2674 - structure of grain commodity commissions

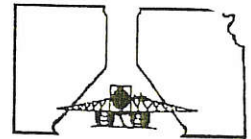
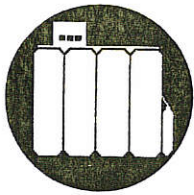
Doug Wareham, Kansas Grain & Feed Association and Kansas Fertilizer and Chemical Association, testified in support of **HB 2674** based on the fact that this proposal would consolidate check-off collection and shift the administration of the commodity check-off programs to the private sector, which some states are presently doing (Attachment 1).

Senator Tyson made a motion to add a sentence concerning open records that would include contracts. Senator Clark seconded. The motion carried.

Senator Corbin made a motion that mill levies established in the bill would not be established by the bill but the commission would be allowed to go up to that amount. Further, the commissions could not change the mill levy more than once a year. Senator Huelskamp seconded and the motion carried.

Additional information regarding the election process and who would be considered an eligible voter will be brought before the committee at a later date.

The next meeting will be March 7, 2000.



STATEMENT OF THE
KANSAS GRAIN & FEED ASSOCIATION

AND THE
KANSAS FERTILIZER AND CHEMICAL
ASSOCIATION

BEFORE THE
SENATE AGRICULTURE COMMITTEE
ON HOUSE BILL 2674

SENATOR STEVE MORRIS, CHAIR

MARCH 1, 2000

Senate Agriculture
3-2-00
Attachment 1

KGFA & KFCA MEMBERS ADVOCATE PUBLIC POLICIES THAT ADVANCE A SOUND ECONOMIC CLIMATE FOR AGRIBUSINESS TO GROW AND PROSPER SO THEY MAY CONTINUE THEIR INTREGAL ROLE IN PROVIDING KANSANS AND THE WORLD THE SAFEST, MOST ABUNDANT FOOD SUPPLY.

Chairman Morris and Members of the Senate 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 1,100 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. I appear today in support of House Bill 2674 and encourage this committee's positive consideration of this bill.

The Kansas Grain and Feed Association (KGFA) has been a long-standing supporter of the Kansas Wheat, Corn, Grain Sorghum and Soybean Commissions and the vast array of market development, promotion, research and education programs each of those Commissions support. Since the inception of farmer-supported commodity check-off programs in Kansas, grain elevator operators have played a vital role as "first purchase collectors" of check-off funds that are currently remitted to the Kansas Wheat Commission and the Kansas Department of Agriculture.

KGFA's support for House Bill 2674 is based on the following:

- *This proposal would allow for the consolidation of check-off collection.* Currently, first purchasers are required to remit wheat check-off dollars to the Kansas Wheat Commission in Manhattan and Corn, Grain Sorghum and Soybean check-off dollars to the Kansas Department of Agriculture in Topeka.
- *This proposal would shift the administration of the commodity check-off programs to the private sector.* Experience has shown our industry, and I use as an example the privatization of the Kansas Grain Inspection Service, that economic efficiencies, and most importantly improved services, can be provided by the private sector.
- *In other states, most commodity promotions are located in the private sector.* Personal experience has shown me this type of structure is much more capable of responding to the needs of commissioners and the producers they represent.

Again, I appreciate the opportunity to testify in support of House Bill 2674 and ask that you consider this bill favorably. I would be happy to answer any questions at this time.