

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on March 5, 2001, in Room 423-S of the Capitol.

All members were present except: Representative Flora - absent

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

Conferees appearing before the committee:

Dr. Barry Flinchbaugh, Agricultural Economist at Kansas State University and Chairman of the 21st Century Commission on Production Agriculture
Greg Foley, Assistant Secretary, Kansas Department of Agriculture
Kerri Ebert, Executive Secretary, Kansas Dairy Association
Gary Reser, Executive Director, Kansas Veterinary Medical Association
Dr. Dirk Hanson, Executive Director, Kansas Board of Veterinary Examiners

Others attending: See attached list

Dr. Barry Flinchbaugh, Agricultural Economist at Kansas State University and Chairman of the 21st Century Commission on Production Agriculture, reported that the goal of the Commission was to provide a framework for future farm policy. The Commission defined the appropriate role of the federal government in support of production agriculture as one that will:

- Ensure a competitive agricultural economy through monitoring of concentration, enforcement of antitrust laws and related regulatory authority, ensuring transparency of market behavior, including contracting.
- Develop policies and programs that enhance the competitiveness of U.S. agricultural products, reduce trade barriers, open markets, and enhance the ability of producers to maximize value-added opportunities.
- Base all policy on sound science and insist that foreign competitors do likewise.
- Promote and enhance food safety and a clean environment.
- Promote and enhance animal and plant health and safety.
- Provide support for agricultural research and education.
- Enhance the development and use of risk-management tools.
- Develop and fund programs that meet the special needs of small and limited-resource farmers.
- Provide an effective and adequate income safety net for farmers with minimal market distortion.

Dr. Flinchbaugh stressed that an effective and adequate income safety net for farmers with minimal market distortion is the most important role of the federal government in support of production agriculture. He summarized the majority report in finding a long-term solution to U. S. production agriculture policy as a four wheeler: 1) marketing loan; 2) farm savings account; 3) crop/revenue insurance; and 4) counter-cyclical income payment. He noted that the report also has two spare tires, a conservation program and trade. The full report is available on the internet at www.usda.gov/oce/ (Attachment 1)

CONTINUATION SHEET

Hearing on SB 59 - Update, clarify and streamline the Kansas dairy law.

Greg Foley, Assistant Secretary, Kansas Department of Agriculture, appeared in support of **SB 59** and reviewed the proposed changes needed to update existing dairy statutes: (Attachment 2)

- 1) Consolidate the two existing dairy fee funds into one fund.
- 2) Eliminate discrepancies in statutes relating to penalties for late fee payments.
- 3) Remove obsolete statutes.
- 4) Reorganize the statutes into general categories relating to ungraded milk, grade A milk, manufacturing milk, and frozen dairy desserts.

Kerri Ebert, Executive Secretary, Kansas Dairy Association, representing 650 dairy producers in Kansas, testified in support of **SB 59**. She stated that although this bill is noncontroversial it is very important to their industry because these statutes define how dairy farms and processing plants are inspected and licensed by the Kansas Department of Agriculture. (Attachment 3)

There being no other conferees, Chairman Johnson closed the hearing on **SB 59** and opened the floor for discussion. Representative Larkin moved to recommend SB 59 be passed, and because the bill is of a noncontroversial nature, be placed on the consent calendar. Seconded by Representative Dahl, the motion carried.

Hearing on SB 162 - Kansas veterinary practice act; license fee increase, application for exam, definition of veterinary prescription drugs.

Gary Reser, Executive Director, Kansas Veterinary Medical Association, testified that the amendments to the Kansas Veterinary Practice Act found in **SB 162** have been reviewed and approved for support by the KVMA Legislative Committee and Executive Board. (Attachment 4)

Dr. Dirk Hanson, Executive Director, Kansas Board of Veterinary Examiners, appeared in support of **SB 162** and outlined the proposed changes to the Veterinary Practice Act. He explained that the first amendment would modify the definition of "veterinary prescription drug" to change the referenced section of the U.S. Code and to indicate that the version in effect is the one in effect on July 1, 2001. The second amendment would increase the maximum application fee for a license to practice veterinary medicine in Kansas from \$250 to \$500. He explained that because the two examinations given previously have now been combined into one examination there will be no real increase in the examination fee. The third amendment would require a person desiring to take the state veterinary examination to make application at least 60 days in advance, instead of the 45 days currently required. (Attachment 5)

There being no other conferees, the Chairman closed the hearing and opened discussion on **SB 162**. Representative Ostmeyer moved to recommend SB 59 be passed, and because the bill is of a noncontroversial nature, be placed on the consent calendar. Seconded by Representative Hayzlett, the motion passed.

Minutes of the February 7, 12, 14, 19 and 28 meetings were distributed. Chairman Johnson asked members to notify the committee secretary of any corrections or additions prior to March 12, or they will be considered approved as presented.

The meeting adjourned at 4:45 p.m. The next meeting is scheduled for March 7, 2001.

REPORT TO KANSAS

HOUSE AGRICULTURAL COMMITTEE

ON THE 21ST CENTURY COMMISSION

ON PRODUCTION AGRICULTURE

MARCH 5, 2001

CHAIRMAN, B. L. FLINCHBAUGH

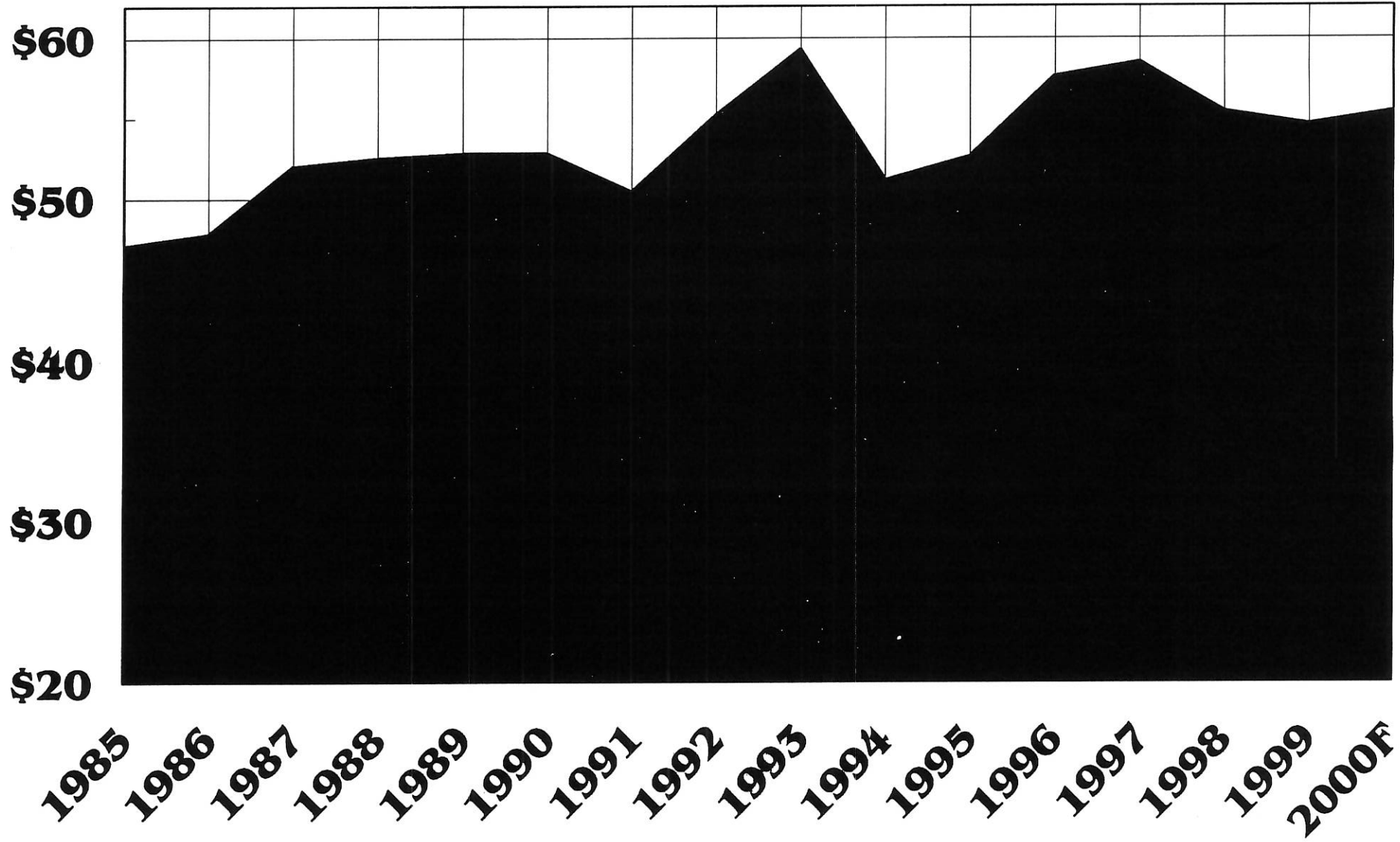
Full Report is available at www.usda.gov/oce/

House Agriculture Committee
March 5, 2001
Attachment 1

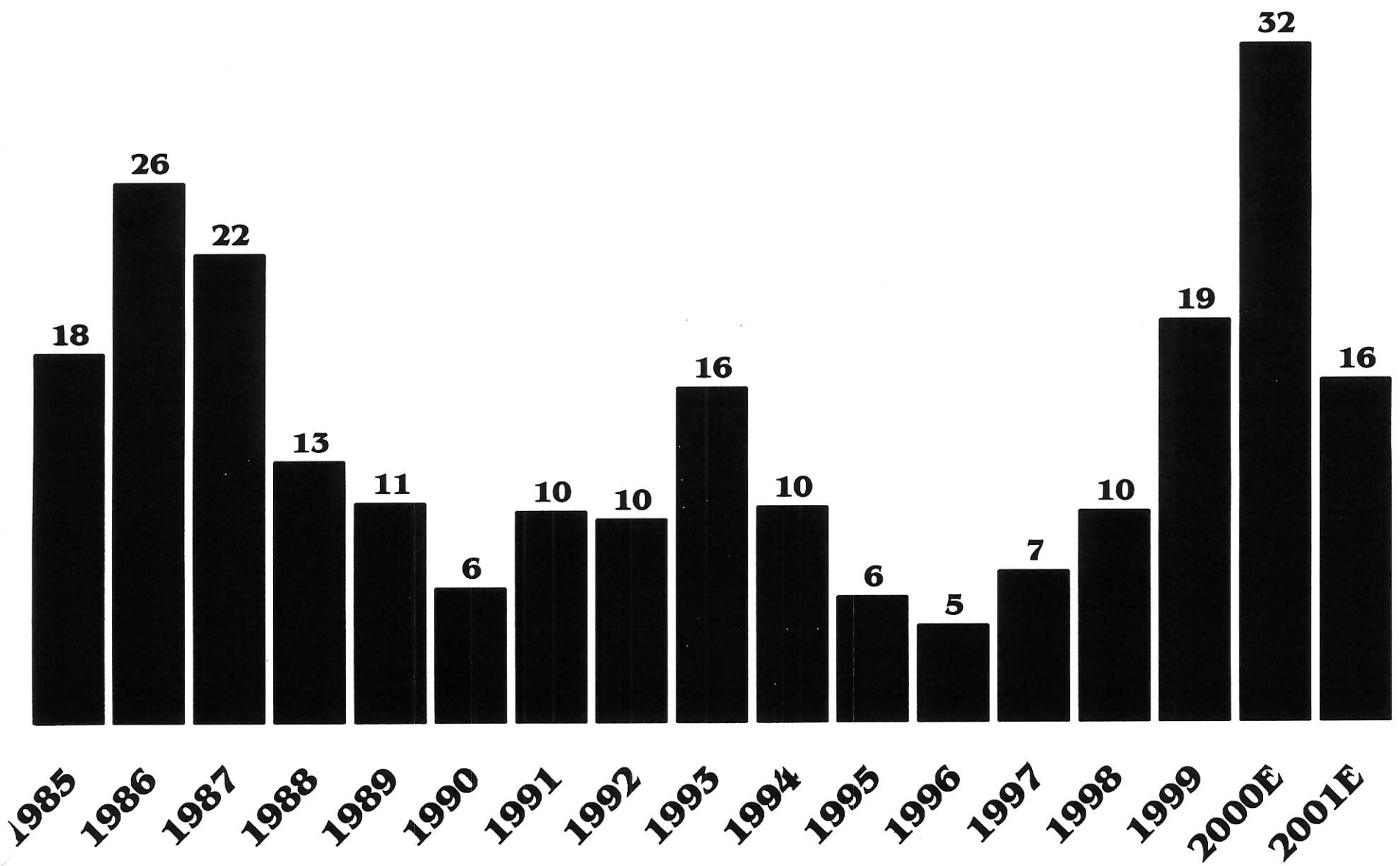
U.S. NET CASH FARM INCOME

1996 - 57.6
1997 - 58.5
1998 - 55.4
1999 - 54.6
2000F - 55.4

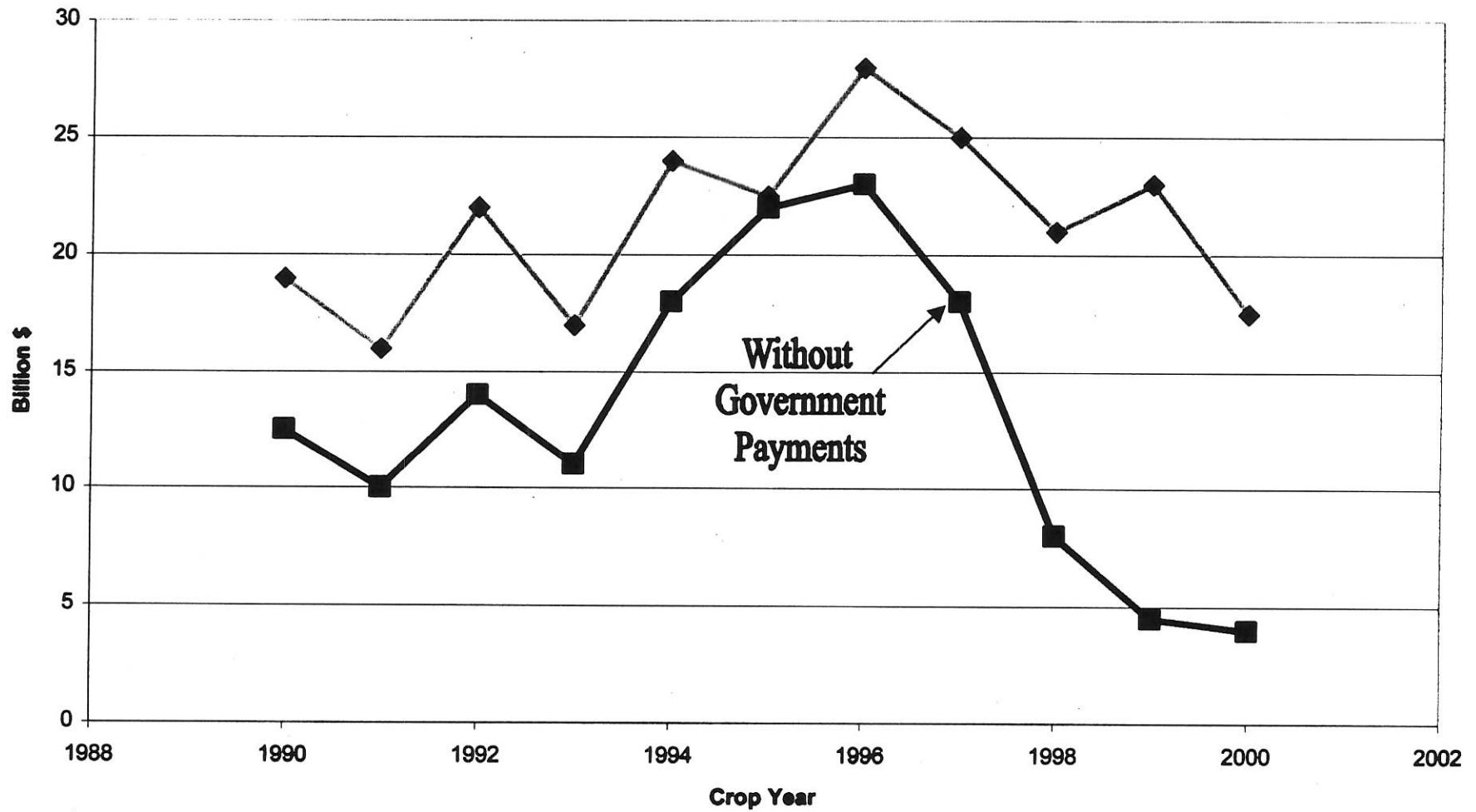
1-2



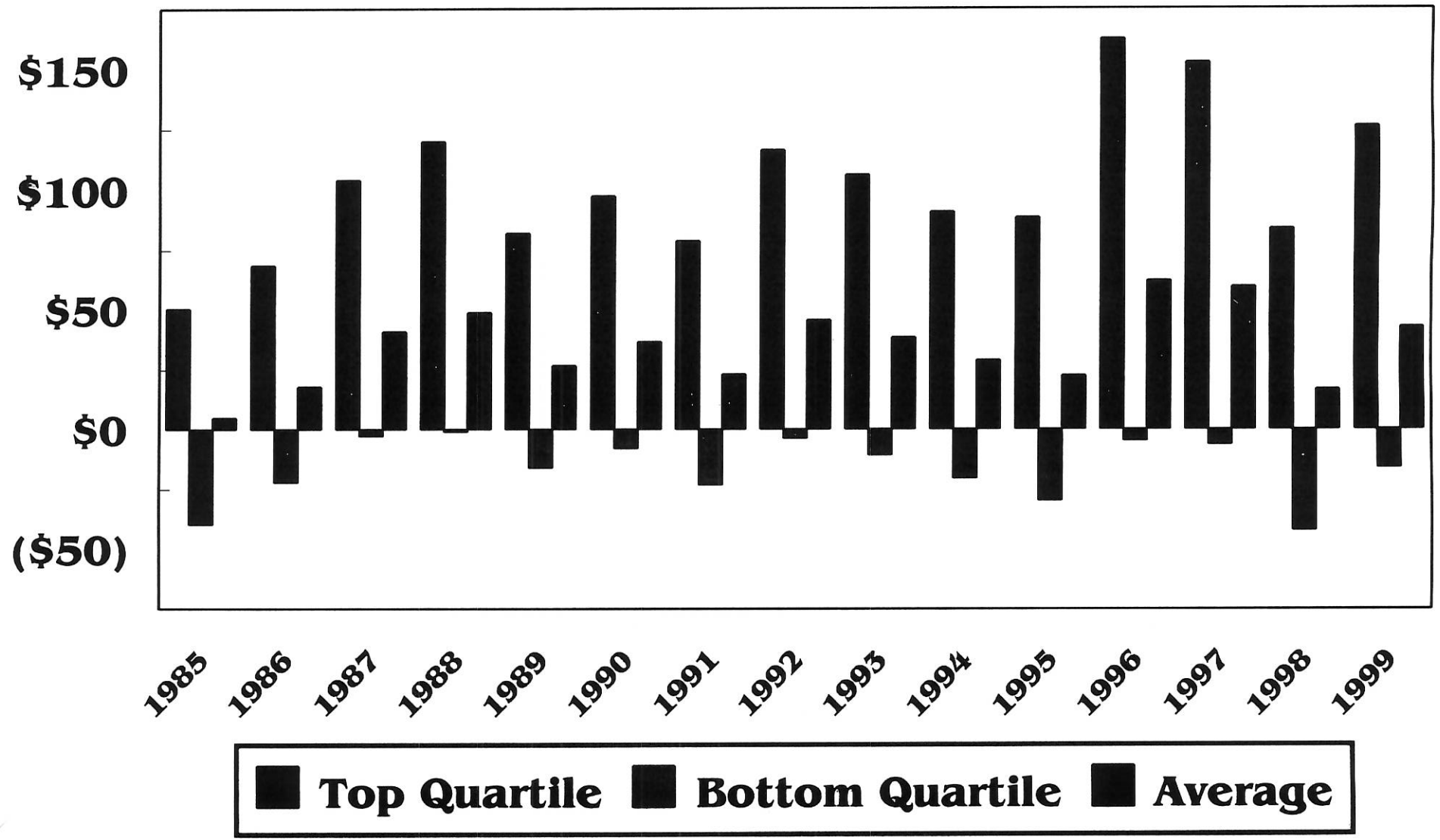
**Figure 3: U.S.D.A. Commodity Program Outlays
Fiscal Years 1985 to 2000**



Net Cash Income--8 Principal Crops



Net Farm Income of Members of the Kansas Farm Management Association



II. Appropriate Role for Government in Production Agriculture

The Commission defined the appropriate role of the federal government in support of production agriculture as one that will:

- Ensure a competitive agricultural economy through monitoring of concentration, enforcement of antitrust laws and related regulatory authority, ensuring transparency of market behavior, including contracting.
- Develop policies and programs that enhance the competitiveness of U.S. agricultural products, reduce trade barriers, open markets, and enhance the ability of producers to maximize value-added opportunities.
- Base all policy on sound science and insist that foreign competitors do likewise.
- Promote and enhance food safety and a clean environment.
- Promote and enhance animal and plant health and safety.
- Provide support for agricultural research and education.
- Enhance the development and use of risk-management tools.
- Develop and fund programs that meet the special needs of small and limited-resource farmers.
- Provide an effective and adequate income safety net for farmers with minimal market distortion.

FOUR WHEELER

- 1. MARKETING LOAN**
- 2. FARM SAVINGS ACCOUNT**
- 3. CROP/REVENUE INSURANCE**
- 4. COUNTERCYCLICAL INCOME PAYMENT**

STATE OF KANSAS

BILL GRAVES, GOVERNOR

Jamie Clover Adams, Secretary of Agriculture
109 SW 9th Street
Topeka, Kansas 66612-1280
(785) 296-3556
FAX: (785) 296-8389



KANSAS DEPARTMENT OF AGRICULTURE House Agriculture Committee

March 5, 2001

Testimony Regarding SB 59

Greg A. Foley, Assistant Secretary of Agriculture

Good afternoon Chairman Johnson and members of the committee. I am Greg Foley, Assistant Secretary of Agriculture, and I am here today to discuss four primary issues that have the potential to enhance dairy program efficiencies for the Kansas Department of Agriculture (KDA).

Program History

Late in 1999, an extensive internal review of the dairy program was undertaken to assess current procedures, to evaluate needs in computerization and record keeping and to examine the day-to-day functions of the program. One finding from the review highlighted the need to update the current dairy law.

Early in calendar year 2000, Governor Graves directed state agencies to review the rules and regulations that they administer to find areas of duplication, unclear language and obsolete articles. The KDA review team included a member of the Governor's Agricultural Advisory Board, a member of the secretary's staff, and representatives from the program's field and clerical staff. Although a narrow time frame existed, the rule and regulation review team pinpointed a need to update existing dairy statutes. Therefore, KDA requests amendments to current law to incorporate the findings of the review team, and to bring closure to Governor Graves' executive order.

Summary of the Legislative Package

In brief, our request is to:

1. Consolidate the two existing dairy fee funds into one fund.
2. Eliminate discrepancies in statutes relating to penalties for late fee payments.
3. Remove obsolete statutes.
4. Reorganize the statutes into general categories relating to ungraded milk, grade A milk, manufacturing milk and frozen dairy desserts.

Fiscal Impact

The changes we propose will not have a fiscal impact on dairy producers or on department revenues.

House Agriculture Committee
March 5, 2001
Attachment 2

Consolidation of Dairy Fee Funds

Prior to 1985, the dairy program was divided into grade A and manufacturing areas, and resources and revenues were maintained in two fee funds. During that time, some grade A inspections were subcontracted to county health departments. Since 1985, the program has operated as a single unit within the Department of Agriculture, but the fee funds have remained separate. This proposal does not change the amount of fees collected. Consolidating the two dairy fee funds — grade A fee fund and dairy division fee fund — into one will simplify accounting, record keeping and fiscal management of dairy fee revenues.

Discrepancy in the Statute Regarding Penalties for Late Fees

Present law requires payment of a penalty equal to 1% per day or \$5 per day for fees paid late under the grade A fee fund (2805). The penalty under the present dairy division fee fund (2002) requires payment of 1% per day or \$5, whichever is greater. This proposal will create uniformity for late dairy fee payments by establishing a penalty of 1% per day or a flat \$5, whichever is greater.

Removal of Obsolete Statutes

In proposed Senate Bill 59, all obsolete statutes have been removed and the remaining statutes have been reorganized to be more easily understood by the regulated public and KDA staff. The bill does not change the fundamental content of the statute. It merely groups the information into categories for easier reference by the user.

Other Changes in the Dairy Statutes

- The proposed dairy legislation removes all references to “dairy commissioner” and replaces it with “secretary of agriculture.”
- It consolidates definitions into one section of the proposed statute.
- It deletes definitions for “milk tester,” “lowfat milk” and “skim milk,” all of which are obsolete terms. In addition, the proposal incorporates current definitions found in federal reference documents, including the CFR (Code of Federal Regulations), that relate to standards of identity for various milk and dairy products.
- It allows the use of civil penalties against any licensee, while the current statute allows the use of civil penalties only against dairy manufacturing plants.
- Deletes the “Sale of ice milk for immediate consumption; notice,” since the term “ice milk” is no longer used and the notice is an obsolete requirement. Also, the ice milk definition has been replaced with “frozen dairy dessert.”

In conclusion, the Kansas Department of Agriculture respectfully requests your support of SB59. At the appropriate time, I would be happy to address any questions concerning the bill.



Kansas Dairy Association

Providing a unified voice for Kansas dairy farmers

Warren Winter
President
Hillsboro

Richard Benoit
Vice President
Damar

Mike Bodenhausen
Muscotah

Joe Hinton
Fort Scott

Andy Keeter
Deerfield

Dennis Metz
Wellington

Steve Ohlde
Linn

Tim Pauly
Conway Springs

Frank Pretz
Osawatomie

Elwood Schmidt
Riley

Jerry Spielman
Seneca

Office

4210 Wam-Teau Drive
Wamego, KS 66547
785-456-8357
FAX 785-456-9705
email:
ksdairy@hotmail.com

TESTIMONY IN SUPPORT OF SB 59

**SUBMITTED BY:
KERRI EBERT
EXECUTIVE SECRETARY
KANSAS DAIRY ASSOCIATION**

March 5, 2001

The Kansas Dairy Association is our state's dairy producer member organization, representing Kansas' 650 dairy producers. We support SB 59 and believe that this legislation is noncontroversial. We have reviewed the bill ourselves and with staff from the Kansas Department of Agriculture and understand SB 59 to be primarily a necessary housekeeping chore.

The bill, as we understand it, consolidates fee funds, more clearly organizes the dairy statute, and cleans up language that dates back to the old Board of Agriculture.

Just because this bill is noncontroversial, however, does not mean it is not important to adopt this measure. The information in this bill is very important to our industry, because, among other things, these statutes define how dairy farms and processing plants are inspected and licensed by our department of agriculture. The inspection process is very important both to dairy producers and to consumers.

The dairy producers for whom I work had two questions about this legislation. Does it increase inspection fees? and Does it change the on-farm inspection process from the way it currently exists? The answer to both of those questions is "no". Having answered both of our questions to our satisfaction, the Kansas Dairy Association expresses its support for the Kansas Department of Agriculture and the changes the department seeks to make in the state dairy law contained in SB 59.

Thank you for considering this testimony in your deliberations.

House Agriculture Committee
March 5, 2001
Attachment 3



816 SW Tyler, Suite 200, Topeka, KS 66612-1635 ■ (785) 233-4141 ■ FAX: (785) 233-2534

Testimony
House Agriculture Committee
3:30 p.m. Monday, March 5
Room 423 South
State Capitol Building

Representative Johnson and members of the House Agriculture Committee, my name is Gary Reser. I am executive director of the Kansas Veterinary Medical Association (KVMA), a professional association representing the veterinary profession through legislative, regulatory, education, and public awareness programs.

The Association has approximately 750 members in Kansas and about 400 in all other states.

The KVMA appears today in support of S.B. 162.

The amendments to the Kansas Veterinary Practice Act found in **S.B. 162** have been reviewed and approved for support by the KVMA Legislative Committee and Executive Board.

The KVMA respectfully requests that the House Agriculture Committee approves **S.B. 162** favorably for passage.

Thank you very much for allowing me to be here today and for considering this request.

House Agriculture Committee
March 5, 2001
Attachment 4



Board of Veterinary Examiners

DIRK HANSON, D.V.M.

Executive Director

1003 Lincoln

PO Box 242

Wamego, Kansas 66547-0242

(785) 456-8781 FAX 456-8782

E-mail: hansonda@wamego.net

Monday, March 5th, 2001

To: Members of the House Agriculture Committee

Good afternoon. My name is Dirk Hanson. I serve as the Executive Director of the Kansas Board of Veterinary Examiners. I am here to testify in support of **Senate Bill Number 162**.

This bill allows for some simple, but necessary changes to the statutes commonly known as the Veterinary Practice Act. The statutory language changes proposed, and the reasons for the proposed changes are outlined on the following page.

There is no significant economic impact that would result from these changes for either the members of the profession or the members of the public.

There is no significant impact to licensees or to license applicants that would result from these changes. These changes have been presented to the professional association's legislative committee, and their executive board so that they would be aware of the changes proposed.

Senate Bill No. 162

K.S.A 47-816. Definitions. As used in the Kansas veterinary practice act:

(p) "Veterinary prescription drugs" means such prescription items as defined by subsection (e) (f) of [2000] 21 U.S.C. Sec. 353 and amendments thereto.

Reason for amendment: The USC was amended, moving paragraph "c" to paragraph "f". The proposed language will allow further modifications to the USC to move the Kansas Statutory reference appropriately.

47-822. Fees for examinations, registrations, inspections, licenses and renewals.

(c) The fee for each examination for licensure as required by K.S.A. 47-825, and amendments thereto, shall not be less than \$50 nor more than ~~\$250~~ 500.

Reason for amendment: To date, two examinations were required for licensure. One was the National Board. The other was the Clinical Competency. A new computerized test, the North American Veterinary Licensing Exam (NAVLE), has been developed that combines the two prior exams. The NAVLE will be the only exam required for licensure. The new test fee is less than the prior two test fees when combined, but still exceeds the statutory limit for the "each examination" language.

47-825. Examinations; rules and regulations; notice of results; recordation and issuance of license. (a) The board shall provide for at least one examination during each year and may provide for such additional examinations as are necessary. A person desiring to take an examination shall make application at least ~~45~~ 60 days before taking the examination.

Reason for amendment: With development of the computerized NAVLE, applications must be submitted further in advance so as to coordinate dates for the exams to be offered at computerized testing centers throughout the US and Canada.