

MINUTES OF THE SENATE AGRICULTURE COMMITTEE.

The meeting was called to order by Chairperson Derek Schmidt at 8:30 a.m. on March 11, 2003 in Room 423-S of the Capitol.

All members were present except: Senator Tyson, Excused

Committee staff present: Raney Gilliland, Legislative Research
Lisa Montgomery, Revisor of Statutes
Judy Swanson, Committee Secretary

Conferees appearing before the committee: Chuck Stones, Kansas Bankers Association
Mike Beam, Kansas Livestock Association
Janet McPherson, Kansas Farm Bureau

Others attending: See attached guest list

Chuck Stones, Kansas Bankers Association, testified in favor of **HB 2055**, interest rate on agricultural production loan deposits. (Attachment 1) Since interest rates have dropped so low, there is no longer a 4 percent spread, making the loan rate less than the necessary 4 percent. Committee discussion followed his testimony.

Data was requested from the State Treasurer concerning current loans. Out of 473 loans outstanding, 108 are Farm Credit loans. Forty-four institutions have loans outstanding.

Mike Beam, Kansas Livestock Association, testified in favor of **SCR 1610**, supporting federal cost share for noxious weed control. (Attachment 2) He suggested broadening the language to lands in addition to CRP acres.

Janet McPherson, Kansas Farm Bureau, testified in support of **SCR 1610** and **SCR 1609**. (Attachment 3) Control and eradication of noxious weeds in a concern of farmers across the state.

Senator Umbarger made a motion to amend SCR 1609 on line 23 by striking, "they are" and inserting "landowner is". Senator Taddiken seconded the motion, and the motion passed.

Senator Umbarger moved to amend SCR 1609 on lines 24 and 30 by striking, "eradicate" and inserting "control". Senator Huelskamp seconded the motion, and the motion passed.

Senator Umbarger moved to adopt SCR 1609 as amended. Senator Huelskamp seconded the motion, and the motion passed.

Senator Downey moved to amend SCR 1610 on lines 11-23 by striking "on CRP land" and on lines 21-22, by adding "that additional federal cost share dollars be made available. Senator Umbarger seconded the motion, and the motion passed.

Senator Lee moved to adopt SCR 1610 as amended. Senator Downey seconded the motion, and the motion carried.

Senator Huelskamp moved to change 4:30 a.m. to 4:30 p.m. on the February 24 Committee Minutes, then further moved to approve the February 24 Minutes as changed and February 25 Minutes as written. Senator Downey seconded the motion, and the motion passed.

The meeting adjourned at 9:00 a.m.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: March 11, 2003

NAME	REPRESENTING
Chuck Stones	KBA
Tom Bruno	Farm Credit Council
Janet McPherson	Ks Farm Bureau
JOHN KABUS	COUNTY WEED DIRECTOR'S ASSOC.
Carole Jordan	KDA
DENNIS HILDRETH	SELF
Marla Goodrich	PMIB
DERL TREFF	PMIB
Todd Johnson	KLA
Susan Halshy	Propane Marketers of Ks
Doug Smith	KLPG
Drew Hopper	KS Dairy Assn



The Kansas Bankers Association

TO: Senate Agriculture Committee

FROM: Chuck Stones, Senior Vice President

RE:HB 2055

Mr. Chairman and Members of the Committee,

The Kansas Bankers Association appreciates the opportunity to appear before you today concerning HB 2055. The intent of HB 2055 is to fix a glitch in formula used to determine the loan rate for the Kansas Agriculture Production Loan Deposit Program.

This program was established by the Legislature in 2000 and has been administered by the State Treasurer. The program has been highly successful. Banks and the FCB utilized the original \$50 million dollars allocated to the program for their customers in less than 2 days. And there has been a waiting list ever since. This program allows for CD's to be placed in banks and the FCB at 2% below the "market rate" and then loaned out at 2% above that "market rate". The program is designed to assist farm customers that need help most. To qualify for one of these loans, the farmer must have a debt to asset ratio of 40% or higher. These loans are not guaranteed by the State. All of the credit risk lies with the bank. Because of this, when you were first considering the program, bankers told me that a 4% spread between the CD rate and the loan rate was necessary for the program to be workable.

An unforeseen problem has come up. Interest rates have dropped so low that there no longer a 4% spread. The current "market rate" is less than 2%, making the CD rate 0%, but making the loan rate less than the necessary 4%.

HB 2055 would change the formula that the loan rate is based on. Instead of basing both rates on the "market rate", we would continue to base the CD rate on the "market rate". However, we would propose to make the loan rate 4% over the CD rate (instead of the current 2% over the "market rate"). This would insure the 4% spread that banks need to justify these risky loans. Since there would be no change in the method of determining the CD rate, there should be no fiscal note to this bill.

The loan rate is calculated on January 1 and July 1 every year. We are afraid that because the 4% spread is not available, banks may not make these loans. We are at a crucial time in agriculture in most of the State. These low rate loans could make the difference for some farm customers. Because of this we are also requesting that you make the loan rate a "stated" 4% from the enactment of this legislation until July 1, 2003 for all loans made after the enactment.

We appreciate your support.

*Senate Agriculture
Attachment 1
03-11-03*



Since 1894

TESTIMONY

To: Senate Agriculture Committee
Senator Derek Schmidt, Chairman

From: Mike Beam, Sr. Vice President

Date: March 11, 2003

Subject: **SCR 1610** - Resolution supporting federal cost share for noxious weed control.

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 6,000 members on legislative and regulatory issues. KLA members are involved in many aspects of livestock production, including cow-calf/stocker enterprises, cattle feeding, seed stock production and diversified farming operations.

Kansas ranked third nationally with 6.6 million cattle on ranches and in feed yards as of January 1, 2002. The state's beef industry consumes 72% of the corn, 16% of the soybeans, and 60% of the hay grown in Kansas. Cattle sales typically generate nearly two-thirds of all annual agricultural receipts.

The Kansas Livestock Association (KLA) appreciates this chance to encourage legislative support for federal cost share assistance for noxious weed control in Kansas. We have appeared before this committee on several occasions in recent years to stress the economic challenges of controlling noxious weeds, especially sericea lespedeza, on pasture and rangeland. In some instances, the cost to apply herbicide for sericea lespedeza on grazing lands is over 70% of the annual rental income value.

I'd suggest the Committee consider broadening the language in SCR 1609 to lands in addition to Conservation Reserve Program (CRP) acres. While we have our share of challenges in infested CRP lands, we must focus beyond the CRP land if we have any hope of containing and controlling invasive species.

As a matter of information, the U.S. Senate recently passed legislation (S. 144) authorizing \$100 million a year to states for invasive species control programs. I've attached a copy of this legislation. Perhaps this Committee would want to encourage the Kansas congressional delegation to support final passage of this legislation?

Again, we support this resolution and other attempts by the Kansas Legislature, to find ways to help our state's landowners with this important issue.

*Senate Agriculture
Attachment 2
03-11-03*

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Bill 3 of 4

There are 3 other versions of this bill.

GPO's PDF version of this bill	References to this bill in the Congressional Record	Link to Senate Committee Report 6	Link to the Bill Summary & Status file.	Printer Friendly Display - 9,476 bytes. [Help]
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Noxious Weed Control Act of 2003 (Referred to House Committee after being Received from Senate)

S 144 RFH

108th CONGRESS

1st Session

S. 144**IN THE HOUSE OF REPRESENTATIVES****March 5, 2003**

Referred to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

AN ACT

To require the Secretary of the Interior to establish a program to provide assistance through States to eligible weed management entities to control or eradicate harmful, nonnative weeds on public and private land.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Noxious Weed Control Act of 2003'.

SEC. 2. DEFINITIONS.

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In this Act:

(1) NOXIOUS WEED- The term 'noxious weed' has the same meaning as in the Plant Protection Act (7 U.S.C. 7702(10)).

(2) SECRETARY- The term 'Secretary' means the Secretary of the Interior.

(3) STATE- The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Island, and any other possession of the United States.

(4) INDIAN TRIBE- The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(5) WEED MANAGEMENT ENTITY- The term 'weed management entity' means an entity that--

(A) is recognized by the State in which it is established;

(B) is established by and includes local stakeholders, including Indian tribes;

(C) is established for the purpose of controlling or eradicating harmful, invasive weeds and increasing public knowledge and education concerning the need to control or eradicate harmful, invasive weeds; and

(D) is multijurisdictional and multidisciplinary in nature.

SEC. 3. ESTABLISHMENT OF PROGRAM.

The Secretary shall establish a program to provide financial assistance through States to eligible weed management entities to control or eradicate weeds. In developing the program, the Secretary shall consult with the National Invasive Species Council, the Invasive Species Advisory Committee, representatives from States and Indian tribes with weed management entities or that have particular problems with noxious weeds, and public and private entities with experience in noxious weed management.

SEC. 4. ALLOCATION OF FUNDS TO STATES AND INDIAN TRIBES.

The Secretary shall allocate funds to States to provide funding to weed management entities to carry out projects approved by States to control or eradicate noxious weeds on the basis of the severity or potential severity of the noxious weed problem, the extent to which the Federal funds will be used to leverage non-Federal funds, the extent to which the State has made progress in addressing noxious weed problems, and such other factors as the Secretary deems relevant. The Secretary shall provide special consideration for States with approved weed management entities established by Indian Tribes, and may provide an additional allocation to a State to meet the particular needs and projects that such a weed management entity will address.

SEC. 5. ELIGIBILITY AND USE OF FUNDS.

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(a) REQUIREMENTS- The Secretary shall prescribe requirements for applications by States for funding, including provisions for auditing of and reporting on the use of the funds and criteria to ensure that weed management entities recognized by States are capable of carrying out projects, monitoring and reporting on the use of funds, and are knowledgeable about and experienced in noxious weed management and represent private and public interests adversely affected by noxious weeds. Eligible activities for funding shall include--

- (1) applied research to solve locally significant weed management problems and solutions, except that such research may not exceed 8 percent of the available funds in any year;
- (2) incentive payments to encourage the formation of new weed management entities, except that such payments may not exceed 25 percent of the available funds in any year; and
- (3) projects relating to the control or eradication of noxious weeds, including education, inventories and mapping, management, monitoring, and similar activities, including the payment of the cost of personnel and equipment that promote such control or eradication, and other activities to promote such control or eradication, if the results of the activities are disseminated to the public.

(b) PROJECT SELECTION- A State shall select projects for funding to a weed management entity on a competitive basis considering--

- (1) the seriousness of the noxious weed problem or potential problem addressed by the project;
- (2) the likelihood that the project will prevent or resolve the problem, or increase knowledge about resolving similar problems in the future;
- (3) the extent to which the payment will leverage non-Federal funds to address the noxious weed problem addressed by the project;
- (4) the extent to which the weed management entity has made progress in addressing noxious weed problems;
- (5) the extent to which the project will provide a comprehensive approach to the control or eradication of noxious weeds;
- (6) the extent to which the project will reduce the total population of a noxious weed;
- (7) the extent to which the project uses the principles of integrated vegetation management and sound science; and
- (8) such other factors that the State determines to be relevant.

(c) INFORMATION AND REPORT- As a condition of the receipt of funding, States shall require such information from grant recipients as necessary and shall submit to the Secretary a report that describes the purposes and results of each project for which the payment or award was used, by not later than 6 months after completion of the projects.

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(d) FEDERAL SHARE- The Federal share of any project or activity approved by a State or Indian tribe under this Act may not exceed 50 percent unless the State meets criteria established by the Secretary that accommodates situations where a higher percentage is necessary to meet the needs of an underserved area or addresses a critical need that can not be met otherwise.

SEC. 6. LIMITATIONS.

(A) LANDOWNER CONSENT; LAND UNDER CULTIVATION- Any activity involving real property, either private or public, may be carried out under this Act only with the consent of the landowner and no project may be undertaken on property that is devoted to the cultivation of row crops, fruits, or vegetables.

(b) COMPLIANCE WITH STATE LAW- A weed management entity may carry out a project to address the noxious weed problem in more than one State only if the entity meets the requirements of the State laws in all States in which the entity will undertake the project.

(c) USE OF FUNDS- Funding under this Act may not be used to carry out a project--

(1) to control or eradicate animals, pests, or submerged or floating noxious aquatic weeds;
or

(2) to protect an agricultural commodity (as defined in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602)) other than--

(A) livestock (as defined in section 602 of the Agricultural Trade Act of 1949 (7 U.S.C. 1471); or

(B) an animal- or insect-based product.

SEC. 7. RELATIONSHIP TO OTHER PROGRAMS.

Assistance authorized under this Act is intended to supplement, and not replace, assistance available to weed management entities, areas, and districts for control or eradication of harmful, invasive weeds on public lands and private lands, including funding available under the 'Pulling Together Initiative' of the National Fish and Wildlife Foundation, and the provision of funds to any entity under this Act shall have no effect on the amount of any payment received by a county from the Federal Government under chapter 69 of title 31, United States Code (commonly known as the Payments in Lieu of Taxes Act).

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

To carry out this Act there is authorized to be appropriated to the Secretary \$100,000,000 for each of fiscal years 2003 through 2007, of which not more than 5 percent of the funds made available for a fiscal year may be used by the Secretary for administrative costs of Federal agencies.

Passed the Senate March 4, 2003.

Attest:

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Kansas Farm Bureau

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Public Policy Statement

SENATE COMMITTEE ON AGRICULTURE

**RE: SCR 1606 and SCR 1610 – concerning sericea lespedeza
and CRP lands.**

**March 11, 2003
Topeka, Kansas**

**Presented by:
Janet McPherson, Assistant Director
KFB Governmental Relations**

Chairman Schmidt and members of the Senate Agriculture Committee, thank you for the opportunity to present testimony in support of SCR 1609 urging cooperation with landowners when sericea lespedeza is found on CRP land and SCR 1610 encouraging availability of federal cost share dollars for controlling sericea.

Control and eradication of noxious weeds is a concern of farmers and ranchers across the state. The past few years have seen a significant increase in the number of acres of land, particularly pasture and rangeland, infested with sericea lespedeza.

Our members strongly encourage all landowners, public and private, to control noxious weeds on their land. The following statements are included in our 2003 Farm Bureau Resolutions as part of our noxious weed policy:

- We support the current shared responsibility for compliance and implementation of the noxious weed law between landowners, counties and the state.
- All private landowners, including absentee landowners, governmental entities, railroads, rail trail sponsors and utilities holding or managing land should control and work toward eradicating noxious weeds.
- Control procedures and cost-share should include the use of herbicides, cultural practices and biological methods.

*Senate Agriculture
Attachment 3
03-11-03*

- To assist landowners in controlling all noxious weeds, including sericea lespedeza, we support additional state, federal, and industry funding that is required to increase research needed to develop more effective products, procedures and practices.
- We encourage the partnering of governments, on all levels, private landowners, agricultural chemical companies and others to implement effective control programs.

SCR 1609 and SCR 1610 are compatible with these policy positions and represent a commitment by the state to encourage increased federal cooperation addressing sericea lespedeza infestations. We appreciate the federal dollars that have already been channeled from USDA to Kansas and hope to see additional monies available in the future. It is extremely important that government agencies work cooperatively, not punitively, with landowners to help control this invasive species.

We would respectfully propose the following for your consideration as possible changes to SCR 1609. Sericea is very difficult to arrest. As such, we would suggest the use of control language rather than "eradicate" language in lines 24 and 30. Additionally, we believe the wording in the paragraph beginning on line 22 can be interpreted to mean the federal employee, not the landowner, is the one who is punished.

Thank you for considering our suggestions and, with or without these changes, we respectfully request the Committee act favorably on these measures. Thank you.

Kansas Farm Bureau represents grassroots agriculture. Established in 1919, this non-profit advocacy organization supports farm families who earn their living in a changing industry.

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