

## MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman John Faber at 3:30 P.M. on February 19, 2008, in Room 783 of the DSOB.

All members were present except:

Representative Carl Holmes - excused  
Representative Larry Powell - excused  
Representative Joshua Svaty - excused  
Representative Vaughn Flora - excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department  
Hank Avila, Kansas Legislative Research Department  
Gordon Self, Revisor of Statutes  
Kristen Kellems, Revisor of Statutes  
Florence Deeter, Committee Assistant

Conferees appearing before the committee:

Dusti Fritz, CEO, Kansas Association of Wheat Growers  
Kenlon Johannes, Administrator, Kansas Soybean Commission  
Jere White, Executive Director, Kansas Corn Growers  
Leslie Kaufman, Executive Director, Kansas Cooperative Council  
Duane Simpson, Chief Operating Officer, Vice President, Kansas Grain and Feed Association  
Kendall Hodgson, Farmer and Rancher, Little River, Kansas, and Past President, Kansas Association of Wheat Growers  
Jay Armstrong, Farmer, Muscotah, Kansas  
Dan Cain, Farmer, Topeka, Kansas

Others attending:

See attached list.

The Chairman opened the meeting requesting consideration of revisions to **HB 5028- request to form a partnership with the federal government in order to preserve the productivity of Kansas reservoirs (Attachment 1)**. Staff Kristen Kellems explained the stricken language was re-inserted in the balloons; the remainder is the original language. **Motion was made by Representative Knox to approve the amendment to HB 5028. Representative Schroeder seconded the motion. Motion passed. Representative Grange motioned to approve the resolution as amended to pass favorably out of committee. Representative Palmer seconded. Motion passed.**

The Chairman directed members to look at the documents requested in a previous committee meeting: information from Kansas Grain Sorghum Producers Association and an informational piece from Representative Powell regarding issues being considered in the Texas Legislature which are pertinent to issues and questions discussed earlier in the committee.

**Hearing On: HB 2897 - Commodity Commission Assessment rates; voting process  
HB 2898 - Commodity Commission Assessment refund process**

The Chairman requested conferees address both bills in their testimony. Dusti Fritz, CEO, Kansas Association of Wheat Growers, spoke holding a position supporting **HB 2897**, and a neutral position on **HB 2898**. (Attachment 2 and 3). She stated that the majority of wheat producers in the association support the assessment program. Ms. Fritz indicated the importance of having research and development as a top priority for wheat producers. She said the biotechnology trait of wheat would be accepted by members, should that become available in the future. She indicated there are many scientific tools in the biotechnology arena that will help increase the productivity and quality of wheat varieties.

Ms. Fritz explained the current Wheat Commission refund procedure and requested that all commissions have a consistent process for reporting refunds. Included in her testimony are graphs showing refunds, vouchers requested and completed, a copy of the voucher, a monthly comparison report, a commissioner's report, and

CONTINUATION SHEET

MINUTES OF THE House Agriculture and Natural Resources Committee at 3:30 P.M. on February 19, 2008, in Room 783 of the DSOB

the Kansas Wheat Commission income statement for May/June 2007.

Kenlon Johannes, Administrator, Kansas Soybean Commission (KSC), indicated the rewriting of the checkoff legislation in **HB 2897**, which refers to the soybean section of the bill, did not change the rate from two cents per bushel to one-half of one percent of the net market value as was requested by the Kansas Soybean Association (Attachment 4). He said that as long as the national soybean checkoff is in effect, there is no checkoff collected by the state. His concern is for first purchasers having to alter computer programs should there be a suspension or repeal of the national checkoff. Mr. Johannes said the KSC supports the change which allows the continuation of the current rate.

Jere White, Executive Director, Kansas Corn Growers Association and Kansas Grain Sorghum Producers Association, said the testimony given previously in support of **HB 2661**, to give the commissions authority to increase assessments, remains the same (Attachment 5). He said his concern with the language in **HB 2897** allowing the optional appointment of a first purchaser to the commission does not specify if one of the at-large positions is to be used. Mr. White affirmed the association's position of suspending the collection of assessments for state programs when a national checkoff program is in effect.

Mr. White said the commissions are currently following the requirements for refund forms given to first purchasers, and they are available on the commission's website (Attachment 6). Mr. White provided a copy of an assessment statement from a first purchaser (Attachment 7).

Kendall Hodgson, a farmer and rancher from Little River, Kansas, said that both **HB 2897 and HB 2898** allow for the increase of the cap in the wheat mil levy that commissions may assess at first purchase (Attachment 8). Mr. Hodgson is in full support of the raise in the assessment to two cents per bushel. He expressed hope that the bill will not make refunding to producers readily available.

Duane Simpson, Chief Operating Officer and Vice-President of the Kansas Grain and Feed Association (KFGA), and the Kansas Agribusiness Retailers Association (KARA), expressed support for **HB 2897**, saying each of the commodity commissions should have the opportunity to appoint a commissioner who is a first purchaser (Attachment 9). He said their expertise in marketing would benefit all members. Mr. Simpson said he represents another association, Kansas Association of Ethanol Processors, with interest in **HB 2897**. The cellulosic research is not specifically included in any checkoff moneys; however, the Wheat Commission report indicated including this area of research as a future goal.

Leslie Kaufman, Executive Director, Kansas Cooperative Council (KCC), spoke in support of **HB 2897**. She said that agriculture members of KCC who are first purchasers would be eligible to serve on the commission, and, as experienced dealers in grain commodities, they have the qualifications to make decisions regarding assessments (Attachment 10).

Jay Armstrong, a corn, soybean and wheat farmer from Muscotah, Kansas, and elected to the Kansas Wheat Commission, expressed support for **HB 2897** (Attachment 11). He indicated that both Canadian and Australian wheat boards, who buy fifty percent of Kansas wheat products, are important international markets for grain farmers. Mr. Armstrong said it is important to keep Kansas known as the "Wheat State" and passage of this bill will give the authority to the commission to raise the assessment rate as needed.

Dan Cain, owner of Cain Land and Grain, L.L.C., and a local farmer, serves on the board of Kansas Technology Enterprise Corporation. Mr. Cain advocates raising the checkoff assessment level, perhaps even more than requested. He said the bio-initiatives in place at the universities provide a wide range of research capability in developing agriculture products. (Attachment 12).

The Chairman closed the hearing on **HB 2897 and 2898**.

The meeting was adjourned at 5:10 p.m. The next meeting is scheduled for February 20, 2008, at 3:30 p.m.



House Concurrent Resolution No. 5028

By Committee on Agriculture and Natural Resources

1-23

10 A CONCURRENT RESOLUTION memorializing the United States  
11 Army ~~Corp~~ Corps of Engineers, Bureau of Reclamation and United  
12 States Congress to partner with the State of Kansas in order to extend  
13 the productive lives of reservoirs in Kansas.

14  
15 WHEREAS, Kansas reservoirs provide drinking water supplies di-  
16 rectly and indirectly to approximately 80 percent of Kansans; and

17 WHEREAS, Reservoirs were constructed in Kansas by the United  
18 States Army Corps of Engineers and the United States Bureau of Rec-  
19 lamation with anticipated productive lives of 50 to 100 years; and

20 WHEREAS, Many of those reservoirs are approaching 50 years of age;  
21 and

22 WHEREAS, Sediment levels in the reservoirs contribute to the loss  
23 of storage capacity for drinking water and drought-prevention purposes,  
24 as well as the loss of water quality for drinking water supply purposes and  
25 the loss of access to recreational opportunities; and

26 WHEREAS, It will be less expensive and less technically challenging  
27 to address the loss of water storage and increased sediment in each res-  
28 ervoir before such conditions constitute a crisis for the people of Kansas:  
29 Now, therefore,

30 *Be it resolved by the House of Representatives of the State of Kansas,*  
31 *the Senate concurring therein:* That the Kansas Legislature calls upon  
32 the United States Congress, United States Army Corps of Engineers and  
33 United States Bureau of Reclamation to form a partnership with the State  
34 of Kansas to extend the productive lives of reservoirs; and

35 *Be it further resolved:* That members of this partnership shall enter  
36 into suitable arrangements with the State of Kansas to jointly develop and  
37 implement plans to sustain the reservoirs at empirically derived points  
38 (hereafter called sustainability points). A reservoir's sustainability point is  
39 the percentage of that reservoir's original capacity that can be recovered  
40 and sustained while ensuring that 100 year flood events can be managed,  
41 10 year long sustained droughts can be managed, drinking water supplies  
42 can be sustained for an additional 100 years, and reasonable recreational  
43 opportunities are available, and

1 ~~Be it further resolved:~~ That members of this partnership shall map  
2 all reservoirs in Kansas by 2010 to establish sustainability points. The  
3 partnership shall also develop plans to sustain each reservoir by 2014; and

4 ~~Be it further resolved:~~ That members of this partnership shall amend  
5 statutory and regulatory requirements and procedures in order to meet  
6 the objectives necessary to sustain threatened reservoirs beyond their  
7 original design lives; and

8 ~~Be it further resolved:~~ That the United States Army Corps of Engi-  
9 neers and United States Bureau of Reclamation make pre-eminent the  
10 sustainability of existing reservoirs in perpetuity for flood control, drought  
11 management, drinking water supplies and reasonable recreational oppor-  
12 tunities; and

13 ~~Be it further resolved:~~ That members of this partnership shall amend  
14 statutory and regulatory requirements and procedures to permit pay-  
15 ments by the State of Kansas for water storage and the operation and  
16 maintenance of existing reservoirs. Other similar payments shall be made  
17 directly to the United States Army Corps of Engineers and United States  
18 Bureau of Reclamation to fund programs that sustain and rehabilitate  
19 reservoirs in Kansas; and

20 ~~Be it further resolved:~~ That payments made by the State of Kansas  
21 to the United States Army ~~Corp~~ Corps of Engineers or United States  
22 Bureau of Reclamation to fund reservoir sustainability or rehabilitation,  
23 shall constitute payments for its share of operations and maintenance  
24 costs and principal and interest on the original contractual obligation; and

25 ~~Be it further resolved:~~ That members of this partnership shall identify  
26 and amend statutory and regulatory prohibitions against the management  
27 of reservoirs as systems, rather than individually; and

28 ~~Be it further resolved:~~ That the Chief Clerk of the House of Repre-  
29 sentatives send an enrolled copy of this resolution to the Assistant Sec-  
30 retary of the Army (Civil Works), the Commissioner of the Bureau of  
31 Reclamation and each member of the Kansas Congressional delegation.

*Be it further resolved:* That members of this partnership shall enter into suitable arrangements with the State of Kansas to jointly develop and implement plans to sustain the reservoirs beyond their original design lives. Such plans shall consider the need for future flood protection, water supply and reasonable recreational opportunities; and

2-8

determine needed amendments to

and shall report needed amendments to the Kansas legislature and the United States Congress by January 2009

determine needed amendments to

and shall report needed amendments to the Kansas legislature and the United States Congress by January 2009



**Testimony Supporting HB No. 2897**  
**Presented to House Committee on Agriculture and Natural Resources**  
**Tuesday, February 19, 2008**  
**by Dusti Fritz, Chief Executive Officer, Kansas Association of Wheat Growers**

Chairman Faber, and members of the committee, I am Dusti Fritz, Chief Executive Officer of the Kansas Association of Wheat Growers (KAWG). I am here today in support HB 2897 which changes the authorizing legislation for the Kansas Wheat Commission (KWC). This change raises the cap on the wheat assessment to 20 mills or 2 cents per bushel, allows the appointment of a first purchaser to each commission, further defines reporting requirements, and adds a new voting process to determining the collected assessment rate.

Wheat Growers and the Kansas Wheat Commission have spent the past year seeking input from farmers on the increase of the assessment authority. This input showed us two items:

1. An overwhelming majority of Kansas farmers support the wheat assessment and the programs it funds.
2. Research and development remains a top priority for wheat producers.

Over the past few weeks we have visited with each of you about how important it is for the wheat industry to invest additional resources in the research area. State and federal support for wheat research have diminished rapidly. Our state's producers stand ready to make the necessary commitment to ensure our research efforts continue and are innovative.

Specifically, biotechnology has been identified as one way to accelerate improvements in crop productivity through yield and quality enhancements as well as drought and disease resistance. The tide of biotech wheat is changing and it is no doubt that tight global supplies and the escalating wheat prices are two of the causes for change. The national wheat organizations joined together at the end of January through the National Association of Wheat Growers and U.S. Wheat Associates Joint Biotechnology Committee, in a statement that members of that committee would support unilateral adoption of a biotechnology trait in wheat if that opportunity was available. The U.S. wheat industry has been working with its counterparts in Canada and Australia on possible simultaneous adoption of a biotech trait and we will continue in this direction.

With biotechnology as a mechanism in our laboratories, we would like to develop and commercialize several new tools for Kansas producers such as:

- high bio-mass plants optimized for cellulosic bio-fuel production;
- foods with reduced allergenicity, including foods that are safe for gluten-intolerant individuals;
- new food products that are rich in anti-oxidants and cancer fighting components; and
- plant-derived medicines for preventing and curing human disease;

We are currently developing a full proposal to develop a Center for Advanced Plant Design where the best minds in plant research will deliver products to Kansas producers. We would

like to formally extend an invitation to the committee to visit the current Wheat Genetics & Genomics Center at KSU after turnaround and see the research investments of Kansas wheat producers. We want you to see firsthand the tools in the laboratories and ask questions directly to the researchers.

And finally, we would like to expand our activities in the area of domestic promotion and consumer education. There is more to do to build consumer acceptance and demand for all types of products from Kansas producers.

To deliver these expanded goals to Kansas producers we need your support on HB 2897. Although we do have a couple of points we would like clarification:

1. With regard to the addition of an itemized list of all expenditures to the reporting requirements, I brought a copy of this information to show the committee what this report looks like. As you can see, there are more than 100 pages in this one copy. The current statute requires an annual audit of our financial reports. Our auditor goes through this list and other financial contracts and such for our Kansas Wheat Commissioners and you as legislators to assist in the financial oversight. If you would like to have this public information for yourself, we'll assist you in any way we can.
2. We are uncertain to the intent of the new voting procedure outlined in Section 4, page 6. In discussion with the department of agriculture, we understand that because the KWC does not intend to collect the full authority granted by statute, we should go through the proven process of promulgating rules & regulations to set the collected assessment rate.
  - Does "all growers" refer to all growers of that commodity or a complete list of growers?
  - There is a list of registered voters for the election processes. Should we use this list of growers or is the intent to use the producer list from the Kansas Ag Statistics?
  - How can we be certain that the ballot list correlates to the actual sellers of our commodities? We currently have no list of those who contribute to the wheat assessment.
  - Would this new voting procedure come before the process of promulgating rules & regulations?

Previous to the introduction of 2898, we intended on holding public meetings in the country to collect producer feedback on any formal increase of the assessment. It is important in this legislative session particularly to clearly outline this new process for determining constituent input. If you would rather we send paper ballots to producers instead of going into the country, or in addition to holding public hearings and formal comment period, we will be glad to do so.

Furthermore, each elected wheat commissioner is accountable to the producers who elect them. If they are not doing their job, it is the responsibility of wheat farmer voters to choose another representative.

Skyrocketing prices from the extremely short supply of the world's most-consumed food grain, wheat, indicates that we need to step forward with tools to meet this demand. Together, we have this opportunity as leaders to step forward and enhance one of our most vital agricultural industries. Please join us by voting in favor of HB 2897.



**Neutral Testimony on HB No. 2898**  
**Presented to House Committee on Agriculture and Natural Resources**  
**Tuesday, February 19, 2008**  
**by Dusti Fritz, Chief Executive Officer, Kansas Association of Wheat Growers**

Chairman Faber, and members of the committee, I am Dusti Fritz, Chief Executive Officer of the Kansas Association of Wheat Growers (KAWG). I am here today with a neutral position on HB 2898 which changes the authorizing legislation for the Kansas Wheat Commission (KWC) to include in statute further definition of the refund process.

Currently each board of elected commissioners determines the refund process for each assessment. The proposed legislation would change the requirement of a "receipt of assessment paid" to be a department responsibility from that of each commission. This would establish a more consistent process for every state grain commodity assessment paid by farmers. Additionally, the proposed law would require that each commission send refund forms to every first purchaser. It outlines the requirements for these forms, which are very similar to the forms we currently use. It adds the clause about a minimum refund of \$5, as well as requires producers to furnish additional evidence of assessment payment. Currently we allow a simple signature of the first purchaser to meet this requirement.

We recognize that the refund process may not be understood so I want to walk through a demonstration of the current wheat refund process.

Kansas Wheat Commission Refund Procedure

1. First purchasers have a stamp or stickers with information we are required to provide to the producer at the time of the sale.
2. If the producer wishes to request a refund, they may do so by writing, faxing or e-mailing us to request a refund voucher.
3. We mail the refund voucher to the producer within a one to two day time frame. Each refund form has its own unique number for accounting purposes and request is entered into an Access database.
4. The producer must fill out the "Seller" portion of the voucher and take the voucher to the first purchaser to fill out the "Buyer" portion, and return the voucher to our office. We do not currently require settlement sheets to be sent in with the voucher. This adds unnecessary excess paper.
5. Vouchers are checked by the Office Manager for accuracy. This is vital as producers can use only one voucher for multiple sales of wheat as long as the same first purchaser is used. Particular attention is paid to the date of sale, bushels, and amount. The numbering system of each voucher assures there are no duplicate requests.
6. Accountant cuts the checks dated for the last day of the month, which is when they will be sent. This is current board policy.
7. Checks and vouchers are routed back to the Office Manager to be entered into the Access database and checked for accuracy.
8. Reports are ran from QuickBooks and Access and balanced to ensure there are no errors.
9. This procedure meets the "checks and balances" requirements of our annual audit.

KANSAS ASSOCIATION OF WHEAT GROWERS

217 Southwind Place / Manhattan, KS 66503 / 785.539.0255 / Fax 785.539.8946 / www.

HS Ag & Nat'l. Resources  
2-19-08  
Attachment 3



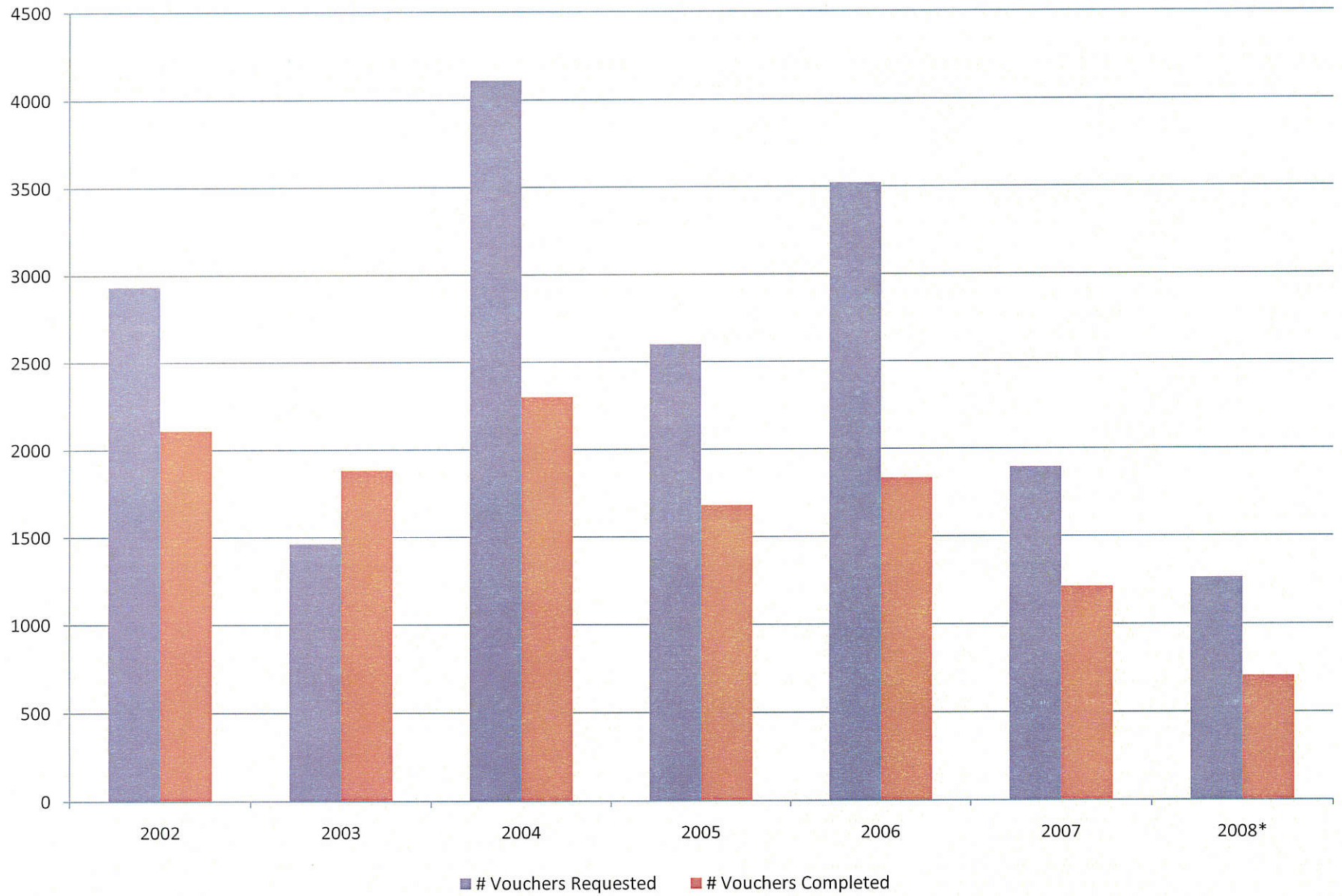
The wheat refund process has a couple of key advantages for reporting to you, producers and our board members:

- This process allows us to collect information as demonstrated by the graph "Refund Vouchers by Fiscal Year." With this information, KWC staff can be accountable to producers who request refunds as well as the KWC board who must evaluate the process, our staff efficiency, and provide fiduciary responsibility to the organization.
- Part of our mission is to educate producers on the use of their funds. Our refund voucher is a vital step in this successful educational process as demonstrated by the smaller number of vouchers completed than vouchers requested. This small number is also evidence that the process of collecting the information outlined in HB 2898 reduces the number of vouchers completed from those that are requested.

We recognize that our process may differ from the processes of other commissions. In discussions between all the commissions last week we would like to ask the committee to clarify the intent of this bill. Are you seeking a consistent process among all commodity commissions? **If so, this can be accomplished by board policy and we would ask that you direct all the commissions to do just that and report next year on a consistent process that we can use for all growers.**

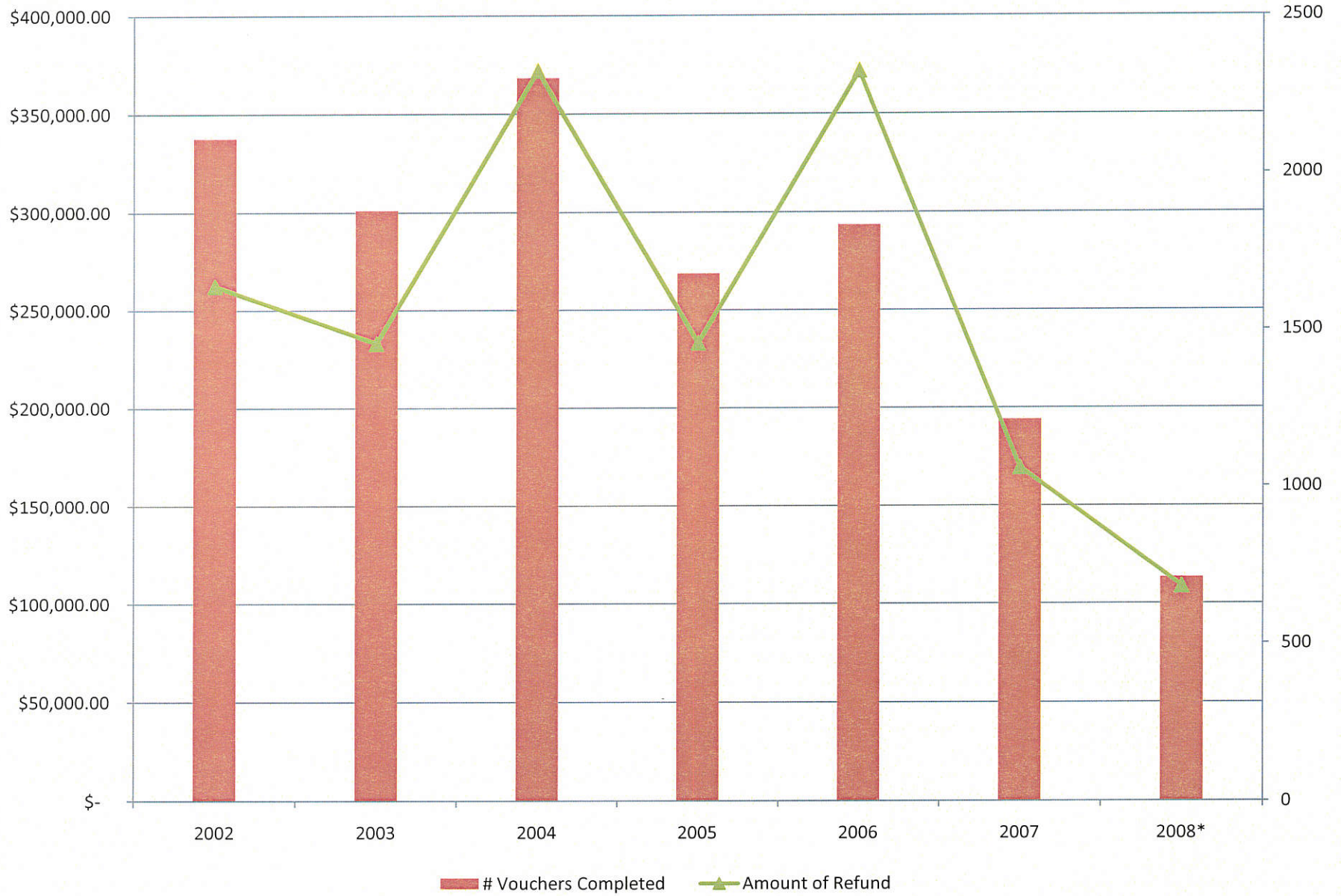
The proposed legislation as written would give first purchasers more influence on our process of refunding producer dollars. We have a good relationship with most first purchasers but the commissions have little enforcement or penalty on the first purchaser other than taking them to court for not collecting the assessments. The department currently keeps the list of first purchasers although we know it is not complete as evidence by collections on 94% of the produced wheat crop according to KASS. The privatization of the grain commodity commissions accomplished in 2000 allowed for two vital components: 1) the ability of producers to elect their representative on the board; and 2) provided the commissions more control of their refund process. Do we want to take a step backward in this control with HB 2898?

### Kansas Wheat Commission Refund Vouchers by Fiscal Year



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### Kansas Wheat Commission Refunds by Fiscal Year



You have paid \$<sup>a</sup> 11.38 of wheat assessment for developing KSU wheat varieties, new food and nonfood wheat markets plus consumer education programs. If you feel you cannot support these programs you may request a refund voucher by writing to Kansas Wheat Commission, 217 Southwind Place, Suite E, Manhattan, Ks 66503

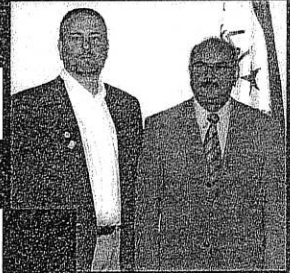
9-507/1-3-08 Reece Miles  
Sale Date 6320 Signature of First Purchaser

You have paid a wheat assessment for developing wheat varieties, new wheat markets plus consumer education programs. To request a refund voucher write to:  
Kansas Wheat Commission, 217 Southwind Place,  
Manhattan, KS 66503

paid

Nigeria  
97,652,000 bushels

Iraq  
85,887,000 bushels



Mexico  
65,241,000 bushels

Japan  
31,364,000 bushels

**Nigeria is world leader in U.S. wheat imports.** Nigeria's booming milling industry was the biggest U.S. wheat customer in 2005/06, importing 3.04 million metric tons of U.S. wheat, including 2.66 MMT of hard red winter. A prestigious group of flour mill executives, representing eight milling companies in Nigeria, was in Kansas and received special recognition, and appreciation, for their continued purchases of U.S. hard red winter wheat. U.S. Wheat Associates (USW) has made a strong effort to develop this market, and the U.S. has captured over 90 percent market share. Training millers, advising buyers, helping bakers and pasta makers — USW assistance is valued and appreciated by the Nigerian industry.

**Record wheat sales to Iraq.** Saddam Hussein banned U.S. wheat in his final years as dictator. After his fall, USW immediately started working with USDA, with U.S. grain companies and with the Iraqis, pursuing options to restart U.S. wheat exports to Iraq. USW brought the Iraqi buyers to the U.S. and sponsored several meetings overseas, advising them on the benefits of the U.S. wheat market system. That work is paying off now for U.S. wheat producers. In 2005/06 Iraq purchased 2.34 million tons of U.S. wheat, all hard red winter wheat. That is Iraq's highest level of U.S. wheat imports, ever. The most wheat that Iraq previously imported from the U.S. within one marketing year was 1.17 MMT in 1983/84.

**Mexico is a great neighbor for wheat farmers.** Mexico was the third largest wheat buyer in 2005/06, importing 2.56 MMT, including 1.78 MMT of hard red winter. The U.S. continues to enjoy a majority market share in Mexico because of the logistical advantage offered by rail between these two countries. The signing of NAFTA and the expansion of trade between Mexico and the U.S., coupled with the global escalation of ocean freight rates, has led to a significant expansion in rail shipments of U.S. grain to Mexico over the last five years, as U.S. wheat exports via rail have grown from 18% of U.S. wheat sales to Mexico to an estimated 53%.

**U.S. and Japan celebrate 50 years of wheat collaboration.** The U.S. wheat industry thanked our Japanese friends and customers for half a century of trust, friendship, and mutually beneficial business relations. 2006 marks fifty years since the U.S. wheat marketing office was opened in Japan. Japan is a top U.S. wheat customer, purchasing 2.97 MMT in 2005/06, including 854 thousand metric tons of hard red winter wheat.

Colombia  
15,965,000 bushels

Cuba  
15,932,000 bushels



Peru  
12,544,000 bushels

Israel  
10,876,000 bushels

VOUCHER # **26395**

# KANSAS WHEAT ASSESSMENT REFUND VOUCHER

3-6

*Original voucher must be submitted; copies not accepted. Bushels and amount must be included for each date of sale. One purchaser per voucher.*

**Please do not include wheat settlement sheets.**

**BUYER:** Fill in front side of voucher.

**SELLER OR GROWER:** Fill in back side of voucher.

**SEND TO:** Kansas Wheat, 217 Southwind Place,  
Manhattan, KS 66503

An Act concerning agriculture; relating to grain commodity commissions—Section 2-3007: Within one year after any and all sales during such period the grower may upon submission of a request therefor to the commission, obtain a refund in the amount of the assessments deducted by the first purchaser.

**FIRST PURCHASER** (Elevator, FSA Office or Other): This is a true statement of wheat purchased from seller or grower on which wheat assessment was collected.

Buyer \_\_\_\_\_ First Purchaser No. \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

By \_\_\_\_\_  
(Buyer's Signature)

Wheat Bushels \_\_\_\_\_

Assessment Amount \$ \_\_\_\_\_ 10 mill per bushel.

Date(s) of Sale \_\_\_\_\_

Comments \_\_\_\_\_

If this is an FSA Loan, date of FSA Loan \_\_\_\_\_

Section 2-3001 Definitions: (d) "sale" means and includes any pledge or mortgage of corn, grain sorghum, soybeans or wheat, after harvest, to any person, public or private.

10-5

Please Print

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Telephone Number \_\_\_\_\_

County \_\_\_\_\_

I do hereby certify that this bill is just, correct and remains due and unpaid, and that the amount claimed therein is actually due according to law.

In accordance with Section 2-3007 of an Act concerning agriculture; relating to grain commodity commissions, it is requested that a refund of the amount of the assessment deducted be made to me.

Sign here: \_\_\_\_\_  
(Seller or Grower Signature)

Social Security # \_\_\_\_\_

\*Amount \$ \_\_\_\_\_

\*If more than one seller or grower is requesting a refund on this voucher, each Social Security number and amount each will receive is required. If more space is needed, please attach a separate sheet.

Sign here: \_\_\_\_\_  
(Seller or Grower Signature)

Social Security # \_\_\_\_\_

\*Amount \$ \_\_\_\_\_

(cut here)

Kansas Wheat  
217 Southwind Place  
Manhattan, KS 66503  
PH: (785) 539-0255  
Fax: (785) 539-8946  
www.kansaswheat.org

07/06



3-4

**MONTHLY COMPARISON REPORT  
FOR THE MONTH OF JUNE 2007**

**June 2007**

Wheat Tax Receipts - \$54,486.86  
Refunds - \$ 8,361.49 (51)

**Percent of Refunds for June 2007 – 15.35%**

**June 2006**

Wheat Tax Receipts - \$36,741.96  
Refunds - \$ 12,641.18 (74)

**Percent of Refunds for June 2006 – 38.37%**

**June 2005**

Wheat Tax Receipts - \$56,363.22  
Refunds - \$ 13,242.48 (84)

**Percent of Refunds for June 2005 – 23.49%**

**June 2004**

Wheat Tax Receipts - \$62,994.48  
Refunds - \$ 24,167.22 (126)

**Percent of Refunds for June 2004 – 38.37%**

**June 2003**

Wheat Tax Receipts - \$100,637.30  
Refunds - \$ 9,119.65 (90)

**Percent of Refunds for June 2003 – 9.06%**

**June 2002**

Wheat Tax Receipts - \$101,820.71  
Refunds - \$ 12,949.62 (101)

**Percent of Refunds for June 2002 – 12.72%**

**Year to Date - June 30, 2007**

FY 07 Receipts - \$2,656,778.66  
FY 07 Refunds - \$ 169,519.17 (1,213)

**Percent of Refunds for FY 07 – 6.38%**

**Year to Date - June 30, 2006**

FY 06 Receipts - \$3,730,225.68  
FY 06 Refunds - \$ 371,673.97 (1,834)

**Percent of Refunds for FY 06 – 8.09%**

**Year to Date - June 30, 2005**

FY 05 Receipts - \$3,101,819.43  
FY 05 Refunds - \$ 233,146.13 (1,679)

**Percent of Refunds for FY 05 – 7.52%**

**Year to Date - June 30, 2004**

FY 04 Receipts - \$4,597,107.29  
FY 04 Refunds - \$ 371,673.97 (2,301)

**Percent of Refunds for FY 04 – 8.09%**

**Year to Date - June 30, 2003**

FY 03 Receipts - \$2,962,147.22  
FY 03 Refunds - \$ 233,054.77 (1,882)

**Percent of Refunds for FY 03 – 7.87%**

**Year to Date - June 30, 2002**

FY 02 Receipts - \$3,193,781.64  
FY 02 Refunds - \$ 262,327.16 (2,110)

**Percent of Refunds for FY 02 – 8.21%**

Commissioners Report  
June 2007

Last Name	First Name	Company Name	City	Sta	County	Dis	Refund	FSA
Motley	Edward		Arlington	TX			\$60.39	No
McCain	Conrad		Atwood	KS	RA	1	\$22.74	No
		D & S Farms	Oberlin	KS	DC	1	\$517.17	No
McCain	Jane		Atwood	KS	RA	1	\$68.41	No
Rapier	Lavern		Scott City	KS	SC	2	\$239.01	No
Tasset	Tom		Spearville	KS	FO	3	\$31.60	No
Wollenberg	Harvey		Hanover	KS	WS	4	\$66.50	No
Kahrs	Delmer		Clifton	KS	WS	4	\$118.30	No
Black	Jed		Beloit	KS	MC	4	\$653.31	No
Kohn	Robert		Mankato	KS	JW	4	\$255.48	No
Peters	Helen		Beloit	KS	MC	4	\$82.06	No
Black	Gloria		Beloit	KS	MC	4	\$250.86	No
Wagner	Richard		Downs	KS	OB	4	\$86.16	No
Dix	Mark		Woodston	KS	RO	4	\$578.19	No
		T Hendrich Farms	Smith Center	KS	SM	4	\$38.48	No
		T Hendrich Farms	Smith Center	KS	SM	4	\$380.51	No
Peters	Richard		Beloit	KS	MC	4	\$49.86	No
Wagner	Eugene		Downs	KS	OB	4	\$428.80	No
Eilert	Jerome		Beloit	KS	MC	4	\$146.76	No
Wagner	Richard		Downs	KS	OB	4	\$56.16	No
Rolfs	Dennis		Geneseo	KS	RC	5	\$230.01	No
Klenda	Martin		Marion	KS	MN	5	\$203.76	No
Olson	David		Salina	KS	SA	5	\$194.33	No
Daubert	Ben		Bison	KS	RH	5	\$297.34	No
Nelson	Wanda		Pawnee Rock	KS	BT	5	\$11.65	No
Werth	Donald		Hays	KS	EL	5	\$100.00	No
Nelson	Keith		Pawnee Rock	KS	BT	5	\$208.52	No
Rolfs	Brett		Holyrod	KS	EW	5	\$301.70	No
Engelland	Mark		Sterling	KS	RC	5	\$229.94	No
Knox	Barbara		South Haven	KS	SU	6	\$28.81	No
Swingle	Ron		Argonia	KS	SU	6	\$117.10	No
Bassford	James	Bassford Joint	Harper	KS	HP	6	\$135.17	No
Schomacker	Arlen		Cheney	KS	SG	6	\$102.93	No
Andra	Tina		Milan	KS	SU	6	\$35.49	No
Struthers	J Wesley		Clearwater	KS	SG	6	\$237.79	No
Eggert	Carl		Norwich	KS	KM	6	\$28.87	No
Knox	Kenneth		South Haven	KS	SU	6	\$54.31	No
Knox	Kenneth		South Haven	KS	SU	6	\$47.06	No
Hiebert	Michael		Newton	KS	HV	6	\$13.44	No
Thompson	John		Burdett	KS	PN	6	\$42.36	No
Hiebert	Michael		Newton	KS	HV	6	\$162.19	No
Brown	Steven		Mullinville	KS	KW	6	\$142.44	No
Struthers	J Wesley		Clearwater	KS	SG	6	\$226.51	No
Stevens	Gertrude		Pratt	KS	PR	6	\$15.11	No
Andra	Jarrold		Milan	KS	SU	6	\$220.87	No
Bergkamp	Ned		Garden Plain	KS	SG	6	\$236.26	No



Commissioners Report  
June 2007

Knox	Barbara		South Haven	KS	SU	6	\$140.39	No
Petersheim	David		Haven	KS	RN	6	\$69.42	No
Gates	Mitch		Anthony	KS	HP	6	\$43.59	No
Gates	Bill		Anthony	KS	HP	6	\$118.97	No
Pace	Brenda		Pretty Prairie	KS	RN	6	\$13.29	No
Reinhardt	Larry		Oketo	KS	MS	7	\$45.55	No
Reinhardt	Geneva		Oketo	KS	MS	7	\$35.33	No
Lohmeyer	David	Lohmeyer and	Lebo	KS	CF	8	\$36.60	No
Lohmeyer	David	Lohmeyer and	Lebo	KS	CF	8	\$46.07	No
Lohmeyer	David	Lohmeyer and	Lebo	KS	CF	8	\$20.07	No
Lohmeyer	David	Lohmeyer and	Lebo	KS	CF	8	\$20.00	No
Lohmeyer	David	Lohmeyer and	Lebo	KS	CF	8	\$17.56	No

Kansas Wheat Commission  
Income Statement  
May/June 2007

	91% FY 07		100% FY 07		% of Budget	
	May-07	June-07	Total FY 2007	FY 2007 Budget		
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
1	Wheat Assessment	58,770.84	54,486.86	2,656,778.66	3,274,200.00	81.14%
2	Refunds	-8,916.86	-8,361.49	-169,519.17	-261,936.00	64.72%
3	Miscellaneous Income	150.27	-11.20	1,524.37	1,200.00	127.03%
4	Sales Tax Owed	1.74	3.67	-25.40	0.00	
5	KAWG Contract	2,500.00	4,363.75	31,863.75	30,000.00	106.21%
6	<b>Total Wheat Income</b>	<b>52,505.89</b>	<b>50,481.59</b>	<b>2,520,622.21</b>	<b>3,043,464.00</b>	<b>82.82%</b>
<b>Sponsorship Income</b>						
7	Kansas Gold Wheat Book sponsorship	250.00	0.00	25,100.00		
	Other Sponsorships	1,600.00	750.00	2,350.00		
	<b>Total Sponsorship Income</b>	<b>1,850.00</b>	<b>750.00</b>	<b>27,450.00</b>		
	<b>Total Income</b>	<b>54,355.89</b>	<b>51,231.59</b>	<b>2,548,072.21</b>		
<b>Research</b>						
7	Research Contracts	31,250.00	8,350.00	773,860.00	773,860.00	100.00%
8	Travel	0.00	0.00	62.28	1,000.00	6.23%
9	Staff Support	6,203.11	6,912.34	78,470.35	87,213.15	89.98%
10	Facility Support	1,200.32	4,993.52	26,277.27	34,128.73	76.99%
11	<b>Total Research</b>	<b>38,653.43</b>	<b>20,255.86</b>	<b>678,669.90</b>	<b>896,201.88</b>	<b>88.04%</b>
<b>Domestic Marketing</b>						
<b>Wheat Producers</b>						
12	Kansas Association of Wheat Growers	10,926.25	10,926.25	131,115.00	131,115.00	100.00%
	KAWG Reimbursable expenses	354.99	-1,167.95	0.00	0.00	
	Kansas Ag Statistics	0.00	0.00	20,000.00	20,000.00	100.00%
14	HW Wheat Market Facilitator	0.00	0.00	403.99	11,666.00	3.46%
15	Direct Mail	0.00	0.00	28,978.50	35,000.00	82.80%
16	Newsletters	0.00	14,120.67	68,838.81	70,000.00	95.63%
17	Wheat Conference	0.00	0.00	-1,299.28		
	Harvest Campaign	0.00	10,139.00	139.00		
18	<b>Total Wheat Producers</b>	<b>11,281.24</b>	<b>34,017.97</b>	<b>246,276.02</b>	<b>267,781.00</b>	<b>91.97%</b>
<b>Consumers</b>						
19	Wheat Foods Council	9,030.11	9,030.09	108,361.30	108,361.30	100.00%
20	Membership Committee expenses	0.00	1,042.84	1,042.84	2,000.00	52.14%
21	Urban media	600.00	0.00	1,850.00	4,500.00	41.11%
22	<b>Total Consumers</b>	<b>9,630.11</b>	<b>10,072.93</b>	<b>111,254.14</b>	<b>114,861.30</b>	<b>96.86%</b>
<b>First Purchasers/Domestic Buyers</b>						
23	Grain Grading Schools	0.00	0.00	900.00	1,000.00	90.00%
24	HW Wheat Market Facilitator	0.00	0.00	131.83	11,667.00	1.13%
25	<b>Total First Purchasers/Domestic Buyers</b>	<b>0.00</b>	<b>0.00</b>	<b>1,031.83</b>	<b>12,667.00</b>	<b>8.15%</b>
<b>Miscellaneous Domestic Marketing</b>						
26	Other Domestic Travel	212.12	2,469.82	9,523.15	14,000.00	68.02%
27	Hospitality	33.51	0.00	236.76	2,500.00	9.47%
28	Staff Support	11,704.30	13,042.51	148,061.30	164,557.60	89.98%
29	Facility Support	2,264.82	9,421.99	49,581.11	64,395.58	76.99%
30	<b>Total Domestic Marketing</b>	<b>35,126.10</b>	<b>69,025.22</b>	<b>565,964.31</b>	<b>640,762.48</b>	<b>88.33%</b>
<b>International Marketing</b>						
31	US Wheat Associates	65,470.50	65,470.50	785,646.03	785,646.32	100.00%
32	IGP	0.00	0.00	174,820.00	174,820.00	100.00%
	IGP Building Fund*	0.00	100,000.00	100,000.00	0.00	
33	Crop Quality Survey	0.00	0.00	10,585.50	45,000.00	43.52%
34	Trade Teams	0.00	2,947.66	7,573.37	6,000.00	126.22%
35	HW Wheat Market Facilitator	0.00	0.00	131.82	11,667.00	1.13%
36	Travel	256.74	2,844.60	9,933.66	6,000.00	165.56%
37	Hospitality	0.00	0.00	0.00	2,500.00	0.00%
38	Staff Support	6,993.83	7,793.47	88,473.04	98,330.30	89.98%
39	Facility Support	1,353.33	5,630.05	29,626.86	39,479.15	76.88%
40	<b>Total International Marketing</b>	<b>74,074.39</b>	<b>184,686.27</b>	<b>1,215,790.20</b>	<b>1,188,442.77</b>	<b>104.05%</b>
	* Not a FY 2007 Budget Item. Paid with board approval.					
<b>Public Issues</b>						
41	Trade Policy - US Wheat	1,966.67	1,966.65	23,600.00	23,600.70	100.00%
42	Trade Policy - KAWG	1,966.67	1,966.65	23,600.00	23,600.70	100.00%
43	Staff Support	6,241.17	6,954.75	78,951.76	87,748.20	89.98%
44	Facility Support	1,207.68	5,024.15	26,438.48	34,338.11	76.99%
45	<b>Total Public Issues</b>	<b>11,382.19</b>	<b>15,912.20</b>	<b>162,590.24</b>	<b>169,287.71</b>	<b>90.14%</b>
<b>Special Projects</b>						
46	Wheat Genome Project (incl. Travel)	0.00	9,335.59	30,900.00	30,000.00	100.00%
	Kansas Gold Wheat Book**	0.00	30,066.57	30,185.77		
47	<b>Total Special Projects</b>	<b>0.00</b>	<b>39,402.16</b>	<b>60,185.77</b>	<b>30,000.00</b>	<b>200.62%</b>
	**Book expenses offset by Sponsorship Income.					
<b>Administration</b>						
48	Kansas Department of Agriculture	1,289.43	1,123.26	7,301.61	12,000.00	60.85%
49	Depreciation Expense	1,238.33	1,238.33	14,859.06		
50	Staff Support	11,141.92	12,415.83	149,947.08	156,650.75	89.98%
51	Facility Support	2,155.89	8,969.27	47,198.78	61,301.43	76.99%
52	<b>Total Administration</b>	<b>15,825.67</b>	<b>23,746.71</b>	<b>210,307.43</b>	<b>229,952.18</b>	<b>91.48%</b>
53	<b>Total Expenses</b>	<b>175,061.78</b>	<b>353,028.43</b>	<b>3,063,507.93</b>	<b>3,194,647.02</b>	<b>96.52%</b>
54	<b>Net Ordinary Income</b>	<b>-120,705.89</b>	<b>-301,796.84</b>	<b>-535,435.72</b>	<b>-151,183.02</b>	
<b>Other Income/Expense</b>						
<b>Other Income</b>						
55	Returned Research Dollars	7,498.06	0.00	8,221.23		
56	Interest Income	3,644.81	21,128.21	136,896.36	95,000.00	144.10%
57	<b>Total Other Income</b>	<b>11,142.87</b>	<b>21,128.21</b>	<b>145,117.61</b>	<b>95,000.00</b>	<b>152.76%</b>
58	<b>Net Other Income</b>	<b>11,142.87</b>	<b>21,128.21</b>	<b>145,117.61</b>	<b>95,000.00</b>	
59	<b>Net Income</b>	<b>-109,563.02</b>	<b>-280,668.63</b>	<b>-390,318.11</b>	<b>-56,183.02</b>	

Kansas Wheat Commission

**Balance Sheet**

As of June 30, 2007

	<u>May 31, 2007</u>	<u>June 30, 2007</u>
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
\$502,422.14 CD - 12 Mo - 6/11/07 - 4.47%	548,119.45	0.00
\$350,000 CD - 6 Mo. - 9/11/07 - 5.40%	385,698.47	390,248.23
\$350,000 CD - 12 Mo - 9/11/07 - 3.60%	387,873.61	393,045.40
\$200,000 CD - 12 Mo - 10/16/07 - 3.70%	228,474.14	228,474.14
\$250,000 CD - 12 Mo - 12/11/07 - 5.40%	296,920.26	300,961.63
\$367,325.37 CD - 12 Mo - 1/11/08 - 5.40%	387,099.75	387,099.75
\$200,000 CD - 12 Mo - 5/18/08 - 5.40%	210,866.64	210,866.64
** \$300,000 CD - 12 Mo - 6/20/08 - 5.40%		300,000.00
Checking & Repurchase	532,334.52	472,841.44
UMB Banking	85,679.55	83,416.21
Total Checking/Savings	<u>3,063,066.39</u>	<u>2,766,953.44</u>
Total Current Assets		
Fixed Assets		
Loss on Disposal	19.78	19.78
Accumulated Depreciation	-127,313.08	-128,551.41
Equipment	184,126.71	184,126.71
Total Fixed Assets	<u>56,833.41</u>	<u>55,595.08</u>
<b>TOTAL ASSETS</b>	<u><b>3,119,899.80</b></u>	<u><b>2,822,548.52</b></u>
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Sales Tax Payable	2.54	2.54
718 Payroll Liabilities	17,398.20	715.55
Total Liabilities	<u>17,400.74</u>	<u>718.09</u>
Equity		
Opening Balance Equity	-0.27	-0.27
Retained Earnings	3,212,148.81	3,212,148.81
Net Income	-109,649.48	-390,318.11
Total Equity	<u>3,102,499.06</u>	<u>2,821,830.43</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>3,119,899.80</b></u>	<u><b>2,822,548.52</b></u>

\*\* \$300,000 of CD renewed 6/11/07 for 1 year term.  
 \$254,295.03 redeemed into checking account.

\*\*\* Doug Keesling moved, seconded by Ron Suppes, that the Kansas Wheat Commission commit \$2 ½ million to the building fund with the location being in the southwest corner of the complex on the KSU north campus. This results in our current liquid asset balance equal to \$266,953.44.

Kansas Soybean Association  
Kansas Legislature House Agriculture & Natural Resources Committee  
February 19, 2008, Comments on House Bill 2897

Mr. Chairman and members of the committee. I am concerned that when rewriting the commodity checkoff legislation in HB 2897, in the soybean related section of the bill, the soybean checkoff rate was not changed from two (2) cents per bushel to one-half (0.5) of one (1) per cent of the net market value received by the grower as the Kansas Soybean Association requested. This rate is currently being collected in Kansas and it is the rate our Kansas soybean farmers voted on in 1994. We thought changing our rate in the legislation should be the least controversial of all the proposed changes. I must not have explained our situation or process well enough.

While the national soybean checkoff is in effect, the state soybean checkoff is not collected. (K.S.A. 2-3007 [d]) While we do not see a change in the status of the national checkoff, KSA felt that if the state checkoff laws were going to be modified, we would like to have our state soybean checkoff rate changed from a maximum of 20 mills (2 cents) per bushel to the current federal rate of one-half (0.5) of one (1) percent of the net market price received by the grower. These funds are collected by first purchasers in the state of Kansas. The Soybean Commission is required to send one-half of the funds collected to USB to fund national and international research and market development projects.

Under the current national soybean checkoff legislation, the Kansas Soybean Commission collects one-half (0.5) of one (1) percent of the net price received by the grower. Kansas soybean farmers voted to approve this rate in 1994 and rate has been collected since 1991. (There was an initial trial period beginning on September 1, 1991 on the rate before the vote was taken.) In our mind to not allow this rate change in Kansas statutes is reversing the vote our Kansas soybean producers made authorizing this rate in 1994. We find it ironic, if that is the proper term, as you consider the possibility of requiring other Kansas commodities to vote on the rate changes in their checkoffs before the rate is implemented, that you deny the one commodity who already approved the rate they collect by a vote of 68.1%.

We went through quite a learning curve/ education process with first purchasers in 1991 when the checkoff rate changed from the per bushel rate to a per cent of value rate. If the state soybean checkoff rate is changed to one-half (0.5) of one (1) percent of the net market price, should the national soybean checkoff be suspended or repealed, Kansas first purchasers would not have to alter their computer programs to go back to the old per bushel rate. This would save time, expense (collection forms would remain the same), and confusion. In this instance, all the funds collected would remain in control of Kansas soybean producers through the Soybean Commission. We have consulted with the Soybean Commission and they support Kansas legislative change allowing the continuation of the current rate as voted in by soybean producers.

Our soybean farmers changed their rate from cent(s) per bushel rate to a percentage rate to allow the flexibility of having a collection rate that could account for inflation and maintain a stable income for the programs they wished the checkoff to support during a short crop with high prices, as it did for a large crop with low prices.

I have provided copies of our Kansas Soybean Association directors and Kansas Soybean Commissioners that I represent; they are elected by their soybean peers to serve on the board and commissions just as you are elected to serve your constituents in your district.

Thank you,

Kenlon Johannes, CEO  
Kansas Soybean Association Office  
2930 SW Wanamaker Drive  
Topeka, KS 66614-4116  
785-271-1030

## 2-3007

### Chapter 2.--AGRICULTURE

#### Article 30.--GRAIN COMMODITY COMMISSIONS

**2-3007. Assessments; refunds and records; liens, priority.** (a) There is hereby levied an assessment upon grain sorghum marketed through commercial channels in the state of Kansas. The grain sorghum commission shall set the assessment at a rate of not more than five mills per bushel. There is hereby levied an assessment upon corn marketed through commercial channels in the state of Kansas. The corn commission shall set the assessment at a rate of not more than five mills per bushel. There is hereby levied an assessment upon soybeans marketed through commercial channels in the state of Kansas. The soybean commission shall set the assessment at a rate of not more than ~~20 mills per bushel~~ one-half (0.5) of one (1) percent of the net market price received by the grower. There is hereby levied an assessment upon wheat marketed through commercial channels in the state of Kansas. The wheat commission shall set the assessment at a rate of not more than 10 mills per bushel. There is hereby levied an assessment upon sunflowers marketed through commercial channels in the state of Kansas. The sunflower commission shall set the assessment at a rate of not more than seven and one-half mills per bushel (\$0.03 per cwt). Any commission shall not change the assessment rate, either to increase or reduce, more than once a year. Such assessment shall be levied and assessed to the grower at the time of sale, and shall be shown as a deduction by the first purchaser from the price paid in settlement to the grower. Under the provisions of this act, no corn, grain sorghum, soybeans, wheat or sunflowers shall be subject to the assessment more than once. The commission shall furnish to every first purchaser receipt forms which shall be issued by such first purchaser to the grower upon the payment of such assessment. The form shall indicate thereon the procedure by which the grower may obtain a refund of any such assessment, except a refund shall not be issued unless the amount of the refund is \$5 or more. Within one year after any and all sales during such period the grower may upon submission of a request therefor to the commission, obtain a refund in the amount of the assessments deducted by the first purchaser. Such request shall be accompanied by evidence of the payment of the assessments which need not be verified.

(b) The commission shall keep complete records of all refunds made under the provisions of this section. Records of refunds may be destroyed two years after the refund is made. All funds expended by the commission in the administration of this act and for the payment of all claims growing out of the performance of any duties or activities pursuant to this act shall be paid from the proceeds derived from such assessment. In the case of a lien holder who is a first purchaser as defined in this act, the assessment shall be deducted by the lien holder from the proceeds of the claim secured by such lien at the time the corn, grain sorghum, soybeans, wheat or sunflowers are pledged or mortgaged. The assessment shall constitute a preferred lien and shall have priority over all other liens and encumbrances upon such corn, grain sorghum, soybeans, wheat or sunflowers. The assessment shall be deducted and paid as provided in this section whether such corn, grain sorghum, soybeans, wheat or sunflowers are stored in this or any other state.

(c) Any corn, grain sorghum, soybean, wheat or sunflowers acquired by a grower as defined in K.S.A. 2-3001, and amendments thereto, under the provisions of any federal program shall be subject to the provisions of this section.

(d) No assessments for soybeans shall be collected pursuant to subsection (a) while the national checkoff program for soybeans, established pursuant to public law 101-624, remains in effect. Collection of assessments pursuant to subsection (a) shall be reinstated upon the withdrawal of the national checkoff program for soybeans, established pursuant to public law 101-624.

**History:** L. 1977, ch. 4, § 7; L. 1982, ch. 9, § 2; L. 1983, ch. 4, § 2; L. 1986, ch. 9, § 2; L. 1988, ch. 10, § 2; L. 1990, ch. 5, § 1; L. 1991, ch. 6, § 4; L. 1992, ch. 219, § 1; L. 1996, ch. 209, § 17; L. 2000, ch. 116, § 6; L. 2002, ch. 93, § 5; July 1.

**KANSAS SOYBEAN ASSOCIATION  
BOARD OF DIRECTORS  
as of 01/25/08**

<u>DISTRICT</u>	<u>NAMES &amp; ADDRESSES</u>	<u>PHONE NUMBER</u>
I	Craig Gigstad (Tamara) First Vice President 15272 US 59 Hwy. Valley Falls, KS 66088 Email: gigstadfarms@embarqmail.com	Home: 913-774-7512 Cell: 913-426-1760
II	Raylen Phelon (Karen) 163 East 317 <sup>th</sup> Street Melyern, KS 66510 Email: raphelo@wcnoc.com	Home: 785-549-3532 Work: 620-364-8831, Ext. 8032 Cell: 620-344-5394
III	David "Dave" Slead (Kay) 286 NW 24 <sup>th</sup> Road Lebo, KS 66856 Email: dslead@wildblue.net	Home: 620-256-6159 Cell: 620-341-0418
IV	Roger Draeger (Ronni) 7636 NE Bethlehem Road Galena, KS 66739 Email: rdraeger@columbus-ks.com	Home: 620-389-2300 Cell: 620-674-1769
V	John Peterson (Janel) 445 13 <sup>th</sup> Road Haddam, KS 66944 Email: farmerjohn@jbntelco.com	Home: 785-729-3323 Cell: 785-747-8196
VI	Peggy Bellar (Mike) 1411 Killdeer Howard, KS 67349 Email: mbellar@sbcglobal.net	Home: 620-374-2197 Cell: 620-515-3097
VII	Kent Romine (Valerie) Chairman of the Board 674 SW 10 Road Great Bend, KS 67530-9319 Email: kromine@opiwireless.com	Home: 620-793-7829 Cell: 620-793-2985 Fax: 620-793-7829
At-Large I	Lance Rezac (Debra) President 24500 Aiken Switch Road Onaga, KS 66521 Email: rezacx5@bluevalley.net	Home: 785-889-4306 Fax/Off.: 785-889-4514 Cell: 785-458-9548
At-Large II	Terry Reschke (Debra) Secretary 505 Navajo Hiawatha, KS 66434 Email: reschke@rainbowtel.net	Home: 785-742-7772 Cell: 785-741-2229
At-Large III	Gary Robbins (Kimberly) Treasurer 28415 Saxon Road Emmett, KS 66422 grobbs5@embarqmail.com	Home: 785-535-4233 Cell: 785-456-3326
Atchison County	W. A. Niemann (Mary Ann) 9778 222 <sup>nd</sup> Road Nortonville, KS 66060 Email: mniemann3@excite.com	Home: 913-886-8061 Cell: 660-752-5019



Barton County	Charles Atkinson (Inga) Second Vice President 37 NW 50 Road Great Bend, KS 67530 Email: quapaw@cox.net	Home: 620-793-3747 Work: 620-792-3346, Ext. 36 Cell: 620-797-1396 Fax: 620-792-4875
ASA Director	Bob Henry (Janis) 2152 - 230 <sup>th</sup> Street Robinson, KS 66532 henryfar@rainbowtel.net	Home: 785-544-7726 Cell: 785-741-1713 Fax: 785-544-6754
Brown County	Dwight Meyer (Sue) 1780 Horned Owl Road Hiawatha, KS 66434 Email: dmfarms@bbwi.net	Home: 785-474-3536 Cell: 785-547-7761
Doniphan County	Todd Miller P.O. Box 541 Wathena, KS 66090 Email: todd112366@hotmail.com	Home: 785-989-3286 Cell: 816-261-7087
Kansas Soybean Commission	Ron Ohlde (Anita) 1579 4 <sup>th</sup> Road Palmer, KS 66962 ohldefarms@bluevalley.net	Home: 785-692-4322 Cell: 785-747-8093 Fax: 785-692-4528 Office: 785-692-4555
Kansas State University "Professor Emeritus"	Gary Kilgore (Lorraine) 5365 - 170 <sup>th</sup> Road Chanute, KS 66720 Email: gkilgore@oznet.ksu.edu	Home: 620-431-0636 Cell: 620-496-7609
Kansas State University	Gary Pierzynski (Joy) Department of Agronomy 2004 Throckmorton Center Manhattan, KS 66506-5501 Email: gmp@ksu.edu	Work: 785-532-6101 Fax: 785-532-6094
Kansas Soybean Processors	Jerry Murphy (Sharmyn) Bunge North America 701 E 6 <sup>th</sup> Street Emporia, KS 66801 Email: gerald.murphy@bunge.com	Work: 800-835-2562 Fax: 620-343-6234
DuPont Young Leader	Shane Ohlde (Ann) 1519 - 4 <sup>th</sup> Road Palmer, KS 66962 ohldeshane@hotmail.com	Home: 785-692-4528 Cell: 785-747-7385
Membership Committee	Grant Webber (Rhesa) 1616 SS Road Sublette, KS 67877 Email: gdub@pld.com	Home: 620-675-8077 Cell: 620-353-4282

Staff and Office:

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Mary Lou Dillman, Administrative Assistant  
mdillman@kansassoybeans.org

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hupe@kansassoybeans.org

Dawn Bradley, Accounting Assistant  
dbradley@kansassoybeans.org

## KANSAS SOYBEAN COMMISSION

Updated: 02/07/08

<u>DISTRICT</u>	<u>NAME &amp; ADDRESS</u>	<u>PHONE, FAX &amp; CELL</u>
I-II-III	Kurt Maurath (Julie) 2704 US Hwy 83 Oakley, KS 67748 Email: kurtmaurath@st-tel.net	Home: (785) 672-3750 Cell: (785) 672-0193 Fax: (785) 672-3520
IV	Steve Clanton (Sue) 721 Kiowa Minneapolis, KS 67467 Email: sclanton@ncken.com	Home: (785) 392-2527 Cell: (785) 488-8089 Fax: (785) 392-3372
V	Harold G. Kraus (Virginia) 977 Chetolah Gold Road Hays, KS 67601 Email: hkraus@ruraltel.net	Home: (785) 625-6488 Cell: (785) 650-1743
VI	Jerry Wyse (Lois) 8403 South Mayfield Road Haven, KS 67543-8093 Email: jlwys@hotmail.com	Home: (620) 465-2303 Cell: (620) 694-9274 Fax: (620) 465-3565 Office: (620) 465-2245
VII	James E. Zwonitzer (Sharon) <b>Secretary</b> 10789 Cheyenne Road Horton, KS 66439	Home: (785) 872-3165 Cell: (785) 741-1466
VIII & USB Director	Robert (Bob) Haselwood (Judy) 2130 SE 61 <sup>st</sup> Street Berryton, KS 66409 Email: bhaselwood@aol.com	Home: (785) 862-1048 Cell: (785) 224-0288 Shop: (785) 862-9815
IX	Ron Westervelt (Carla) <b>Vice Chairman</b> 4851 NW Bethlehem Road Columbus, KS 66725 Email: ronwestervelt@hotmail.com	Home: (620) 674-3301 Cell: (620) 762-3301
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Kansas Department of Agriculture

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Email: ewisner@kda.state.ks.us  
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Fax: (785) 296-8389

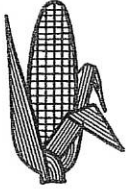
Secretary of Agriculture

Adrian Polansky, Secretary  
Kansas Department of Agriculture  
109 SW 9<sup>th</sup> Street  
Topeka, KS 66612  
Office: (785) 296-3210  
Fax: (785) 296-8389  
(Secretary: Ginger Patterson)

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Kansas State University  
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Kenlon Johannes, Administrator  
Kansas Soybean Commission  
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Kansas Corn Growers Association  
Kansas Grain Sorghum Producers Association



TESTIMONY

**TO:** House Agriculture and Natural Resources Committee  
**FROM:** Jere White, Executive Director  
**DATE:** February 19, 2008  
**SUBJECT:** H.B. 2897

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The Kansas Corn Growers Association and Kansas Grain Sorghum Producers Association appear before this committee today to share our thoughts and some concerns with HB 2897.

First, as we stated in our previous testimony regarding HB 2661, we support the increase in assessment authority provided the commissions in this bill.

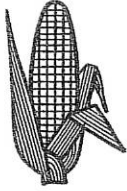
I believe there needs to be some clarity added in regards to the optional appointment of a first purchaser to a commission. The statute clearly states that at-large commissioners shall be growers. The new language speaks to appointment of a first purchaser, but does not specify if one of the at large positions is to be used.

We support transparency in the commission's programming and financial concerns. All of our records are subject to the Open Records Act and readily available for review. We are unclear how the new reporting requirements under HB 2897 would be accomplished. Obviously, publishing and distributing thousands of detailed financial reports can be done, but at considerable cost and a benefit that would be very limited, considering the fact that all one needs to do now is ask for it.

While we do not have a position specifically on the issue of a referendum on future assessment rate adjustments, I do have questions on the implementation of such, should this become enacted. Requiring a ballot to be sent to all growers of a commodity may sound simple enough, but in fact, I would argue it is simply not possible. Kansas farmers routinely make cropping choices and changes for a variety of reasons. Any list from any source will not be 100% accurate. Using a voter registration/certification process similar to commissioner elections would ensure that all eligible farmers had the opportunity, whether they were on a list or not. In addition, the use of referendum when there is a very liberal refund procedure as well as legislated caps on the assessment rates is not typical for these programs. We believe the current system has and continues to work and that those producers who choose not to support the program for any reason need merely to ask for a refund, an option not extended to many citizens.

And finally, we support language in the bill that suspends collection of assessments for state programs when there is a national checkoff program in effect.

Thank you.



Kansas Corn Growers Association  
Kansas Grain Sorghum Producers Association



TESTIMONY

**TO:** House Agriculture and Natural Resources Committee  
**FROM:** Jere White, Executive Director  
**DATE:** February 19, 2008  
**SUBJECT:** H.B. 2898

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The Kansas Corn Growers Association and Kansas Grain Sorghum Producers Association appear before this committee today to share our thoughts on HB 2898.

We are not sure what the intent of requiring the Kansas Department of Agriculture to provide receipt forms to first purchasers. Receipts for the paid assessments are accomplished in a variety of ways when a producer sells his commodity, but I am not aware of any circumstance where a producer does not currently get a receipt for a paid assessment. Under current law, the commissions provide the appropriate language to the first purchasers, who will then incorporate it into their respective systems. We don't have a problem with that being done by KDA, we just don't know what the reason for making that change and incurring the resulting cost would be.

Regarding language on refund forms provided by the commissions, we currently are doing everything in the new language. We provide first purchasers with the form and also have them prominently on the commission's website. The only item from the list in HB 2898 that is not currently on our refund form is the exclusion for refunds of less than five dollars, which we state in other documents and on the website

Thank you.



**Kansas Corn Commission**  
Jere White  
Executive Director  
PO Box 446  
Garnett, KS 66032  
785-448-2626

[corn@ksgrains.com](mailto:corn@ksgrains.com)

# The Kansas Corn Commission

## The Kansas Corn Commission's Voucher System

The Kansas corn assessment refund procedure is based on a voucher system. A copy of that voucher can be downloaded from this web site, or requested by calling the Kansas Corn Commission office.

If a producer requests a voucher for refund, the first purchaser must complete the Purchaser's portion of the voucher and give it to the producer. The producer then completes the Seller's portion of the voucher and forwards it to the Commission office.

The voucher must contain original signatures of both the purchaser and the seller. No copies of signatures can be accepted. Please do not include any settlement sheets with the voucher as they are not required for the refund and cannot be returned. Refund checks cannot be issues for an amount less than \$5. Vouchers must be submitted within one year of the date of sale.

The voucher system was implemented in 2003 to eliminate problems with stamped settlement sheets and also to reduce paperwork.

If you have any questions regarding collecting or refunding corn assessments please do not hesitate to give us a call.

**You can get a voucher on-line by clicking the link below, or if you would like voucher forms mailed to you, please click below to e-mail**

**Sue Hardman, Programs Manager**

**or call Sue Hardman toll free at 800-489-2676**

**[Click here to download the Corn Voucher Form \(pdf\)](#)**

*You'll need Acrobat Reader to get Voucher Form above.  
You can download it free by clicking the logo below---*



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*Every checkoff dollar becomes an investment, further enhancing your future.*

[Kansas Corn Growers Association](#)

[National Corn Growers Association](#)

[US Meat Export Federation](#)

[US Grains Council](#)

**Kansas Corn Commission  
Assessment Refund Voucher**

**Instructions**

- Voucher with original signatures must be submitted - copies of signatures will not be accepted.
- Date of sale, bushels, assessment amount and either settlement or check number must be included for each settlement.
- Voucher must be submitted within one year of date of sale
- One purchaser and one producer per voucher.

*Please do not include corn settlement sheets.*

<b>TO BE COMPLETED BY PURCHASER</b> (Elevator, FSA Office, Feed Yard, Other)	
Buyer Name _____	First Purchaser No. _____
Address _____ City, State, Zip _____	
<i>~~ Please list each settlement separately ~~</i>	
1) Date of Sale _____ (If this is an FSA Loan, date of sale is disbursement date.)	
Settlement or Check No. _____	Bushels _____ Assessment Amt. _____
2) Date of Sale _____	
Settlement or Check No. _____	Bushels _____ Assessment Amt. _____
3) Date of Sale _____	
Settlement or Check No. _____	Bushels _____ Assessment Amt. _____
<i>~~ Attach sheets as necessary for additional settlements ~~</i>	
<p>Section 2-3001 Definitions: (d) "sale" means and includes any pledge or mortgage of corn, grain sorghum, soybeans or wheat, after harvest, to any person, public or private.</p> <p>This is a true statement of corn purchased on which corn assessment was collected and paid to the Kansas Department of Agriculture.</p>	
By: _____	
Authorized Signature	

<b>TO BE COMPLETED BY SELLER</b> (Please print)	
Seller Name _____	SSN: _____
Address _____	County _____
City, State, Zip _____	Telephone _____
<p>I do hereby certify that this voucher is correct and remains unpaid, and that the amount(s) claimed herein have not been previously refunded and are actually due according to law.</p> <p>In accordance with Section 2-3077 of an Act concerning agriculture; relating to grain commodity commissions, it is requested that a refund of the amount of the assessment(s) deducted be made to me.</p>	
_____ Signature of Seller	
<b>Forward to: Kansas Corn Commission, PO Box 446, Garnett, KS 66032</b>	



# SUBLETTE FEEDERS

P.O. BOX 917  
SUBLETTE, KANSAS 67877  
316-668-5501

A Division of Sublette Enterprises, Inc.

BRAD SHOTTON  
Commodities Buyer  
Res: 316-675-8474

[REDACTED]

Date 10/2/02

Copeland, KS 67837

28607<sup>52</sup> Bu. dry corn @ \$2.36 \$67628.57

First Purchaser Name or Number

This verifies payment of \$ 143.04 assessment declared by K.S.A. 2-3007. To obtain a refund send stamped settlement sheet within one year of sale to: KS Corn Commission, PO Box 446, Garnett, KS 66032

Less .005 a bushel 143.04

Total \$ 67485.53

Sublette Feeds [REDACTED]  
Sellers Social Security Number or FEIN



CONAGRA CORN PROCESSING  
 P.O. BOX 640  
 ATCHISON, KS 66002  
 PHONE (913) 367-3251  
 REMIT TO: P.O. BOX 93462  
 CHICAGO, IL 60673

SETTLEMENT SHEET

SETTLEMENT NO. 0787409

DATE 09/10/01  
 PAGE :

PURCHASED FROM: 0288225  
 [REDACTED]  
 P.O. BOX 176  
 BENDENA KS 66008

OUR CONTRACT..P 9748972-01 DATE 09/10/01  
 YOUR REF #.....  
 COMMODITY.....YC PRICE \$2.8500  
 BASIS \$0.0400

LOCATION.....ATCHISON, KS ELEVATOR

**CARRIER**	GROSS POUNDS	% DKG	NET BUSHELS	PREMIUM/DISCOUNT	ADJUSTED PRICE	TOTAL DOLLARS
168325 0909	28,070	0.00	501.25	-0.0200	2.8300	1,418.54
TW 59.60	MOIST 15.90	DMG	1.00 FM	2.00	TAX	-2.51
P/D .0000		-.0200	.0000	.0000	****NET	1,416.03
HARDNE 1.24	LRG CD 57.00					
P/D .0000		.0000				
168345 0909	27,300	0.00	487.50	0.0000	2.8500	1,389.38
TW 60.00	MOIST 15.40	DMG	1.00 FM	2.00	TAX	-2.44
P/D .0000		.0000	.0000	.0000	****NET	1,386.94
HARDNE 1.25	LRG CD 52.00					
P/D .0000		.0000				

SETTLED THIS SHEET BUSHELS 988.75

BEGINNING CONTRACT BUSHELS 988.75

TOTAL SETTLED BUSHELS 988.75

ENDING CONTRACT BUSHELS .00

DUE YOU 2,802.97

TOTAL DUE 2,802.97

CONAGRA CORN PROCESSING

THIS VERIFIES PAYMENT OF  
 ASSESSMENT BELOW DECLARED  
 BY K.S.A. 2-3007. TO GET  
 REFUND SEND STAMPED SETL.  
 SHEET WITHIN 1 YR OF SALE  
 TO: KS CORN COMMISSION,  
 P.O. BOX 446  
 GARNETT, KS 66032

TAX AMOUNT \$4.95

[REDACTED]  
 SELLERS SOCIAL SECURITY NUMBER

U.S. DEPARTMENT OF AGRICULTURE  
Commodity Credit Corporation  
ARM STORAGE NOTE AND SECURITY AGREEMENT

Form CCC-684 is incorporated into this  
Form CCC-677 when this box is marked:

Name & Mailing Address of Contact Producer

Commodity Storage Location

St. & Co. Codes & Farm No. Where Produced

[Redacted]  
67432-7454

32-8-3; BIN #20

20-027-0003994

Loan No.:	69	Disbursement Date:	11/05/02	Total Loan Amount:	\$ 46,134.00
Crop Year:	02	Maturity Date:	08/31/03	Assessments:	\$ 116.50
Commodity:	CORN	Interest Rate:	2.625 %	Marketing Assessments:	
Class:	YC	Total Loan Quantity:	23,300.00	Service Fee:	\$ 45.00
				TOTAL DISBURSEMENT:	\$ 45,972.50

SEAL NUMBER	MORTGAGED QUANTITY	LOAN RATE	LOAN QUANTITY	LOAN AMOUNT
A	B	C	D	E
1	23,300.00	\$ 1.9800	23,300.00	\$ 46,134.00

8014  
ccc - Deanna Jansal  
First Purchaser Name or Number

PRODUCER	ID NUMBER	PRODUCER SHARE
G	H	
LOIS MARTIN This verifies payment of \$ 116.50 assessment declared by K.S.A. 2-3007. To obtain a refund send stamped settlement sheet within one year of sale to: KS Com Commission, PO Box 446, Garnett, KS 66032	509-34-1946	.0000
DON A MARTIN	509-38-6466	1.0000

Sellers Social Security Number or FEIN

The terms and conditions of the Note and Security Agreement are set forth in this Form CCC-677 ("Note") and Form CCC-601, "Commodity Credit Corporation Note and Security Agreement Terms and Conditions", Form CCC-677A (for sugar only), and any appendix or addendum to these forms. By signing this Form CCC-677, each producer agrees to all terms and conditions specified in these forms and acknowledges receipt of Form CCC-601 and any appendix or addendum thereto. By signing this form, the producer agrees that: (1) the interest rate applicable to the loan will be determined in accordance with 7 CFR Part 1405 and will be the rate of interest charged by the U.S. Treasury for funds borrowed by CCC, plus 1 percent, on the date the loan proceeds are disbursed to each producer; and (2) the maturity date of the loan for all commodities shall be the last day of the ninth month following the month following the month in which such loan proceeds are disbursed. Notwithstanding the foregoing provision, the producer agrees that if the commodity pledged as collateral for this loan is a commodity which had been previously pledged as collateral for a CCC loan that the maturity date of this loan will be the maturity date of such initial loan. The loan disbursement date, actual interest rate and maturity date for the loan may be obtained at the County FSA office listed below. CCC may at any time accelerate the maturity date of this loan upon demand for payment.

The producer hereby sells, assigns, and mortgages to CCC as collateral for the payment of this Note all of the commodity described in this Note, together with all authorized replacements, substitutions, additions, and accessions thereto, which is stored in the bins or storage structures specified in this Note (even though a larger quantity than the quantity shown in the item above entitled "Total Loan Quantity" is stored in such structure).

Signature	Date	Signature	Date
DON A MARTIN	[Redacted]	LOIS MARTIN	[Redacted]

APPROVED FOR CCC BY	DATE	Name and Address of County FSA Office
[Signature]	11/5/02	CLAY COUNTY FSA OFFICE CLAY CENTER, KS. 67432-2910 TELEPHONE NO. (785) 632-3550

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**Testimony on HB 2897 and HB 2898**  
**House Committee on Agriculture & Natural Resources**  
**February 19, 2008**

Chairman Faber, and members of the committee, I am Kendall Hodgson a farmer and rancher from Little River and am the Immediate Past President of the Kansas Association of Wheat Growers. I traveled here today to share my comments on HB 2897 and HB 2898.

The first bill that I would like to address is HB 2897 which appears to be a slightly different version of a bill introduced earlier in the session, HB 2661. Both bills allow for increasing the cap in the wheat mill levy that the commissions may assess at the point of first purchase.

This, ladies and gentlemen, is the core issue that we in the wheat industry have requested. As I indicated I serve on the board of the Kansas Association of Wheat Growers. I am not a Wheat Commissioner but have had the pleasure of working closely with the Wheat Commission on issues that are of concern to the profitability of wheat farmers across the Wheat State of Kansas as well as the entire nation. It would be great if we could do a better job of developing new varieties, new products, new markets, and defend challenges to the profitability of wheat without raising the assessment rate but that is simply not possible. The Wheat Commission has been very judicious in their use of wheat producer funds and I know that those farmers take their position very seriously. Commissioners have had to make tough choices on what to fund these last several years because of poor wheat crops meaning less revenue to the commission and increasing costs of doing what wheat farmers expect from assessment dollars.

I support the increase in authority of the Wheat Commission to raise the assessment to 2 pennies per bushel. This is less than 0.2% or one-fifth of a percent of the value of wheat in today's prices. Can you think of another industry that spends a smaller percentage of its gross revenue on not only development, but marketing as well?

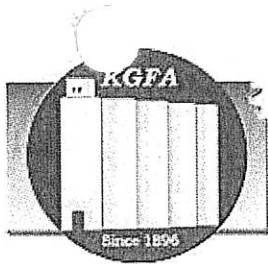
There is a part of HB 2897 that I am concerned about. I read that the commissions would have to hold a vote of all growers (if such a list exists) before they could change the assessment rate. While I understand full disclosure and an open process is a good thing, I also know that we elect Commissioners, similar to you as legislators, to make the proper, informed decisions for us. After an expensive balloting process would the decision of the commissioners be any different? An option to consider would be to allow for a greater number of Commissioners to get a broader perspective and less of a chance of a few individuals dominating any decision.

Concerning HB 2898, I am not sure about the intent of this proposed legislation, but I would hope that it would not be made too easy for producers to receive refunds. As a contributor to the grain commodity assessments, these investments are things that no one person could do alone. We must join together with other producers to make these research, marketing and promotion investments and the Kansas wheat industry has been doing so for over 50 years.

The current wheat refund process gives the farmer information about the investments of those funds. In fact many of the refund forms are not returned after the farmer is informed about what his or her checkoff dollars, joined with other producers' dollars, are doing for their industry. Most of the checkoff programs allow for a refund if a producer still has a strong disagreement with the investments, and allowing us to keep track of this information is very useful from the board member's perspective. We are fortunate the evidence shows that the Kansas Wheat Commission is doing a good job and few wheat farmers get a refund.

Thank you for your time and if I could answer any questions I would be happy to do that.

HS Ag & Nat'l. Resources  
2-19-08  
Attachment 8



# *Kansas Grain & Feed Association*

## Kansas Agribusiness Retailers Association

### **Joint Statement in Support of House Bill 2897 House Agriculture and Natural Resources Committee**

**John Faber, Chair**

**February 19, 2008**

Thank you Mr. Chairman and members of the Committee; I am Duane Simpson, Chief Operating Officer and Vice President for the Kansas Grain and Feed Association (KGFA) and the Kansas Agribusiness Retailers Association (KARA).

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. KGFA's membership includes approximately 900 Kansas business locations and represents 98% of the commercially licensed grain storage in the state.

KARA's membership includes over 700 agribusiness firms that are primarily retail facilities that supply fertilizers, crop protection chemicals, seed, petroleum products and agronomic expertise to Kansas farmers. KARA's membership base also includes ag-chemical and equipment manufacturing firms, distribution firms and various other businesses associated with the retail crop production industry. On behalf of these organizations, I am testifying in support of HB 2897.

The membership of these organizations support this bill for different reasons. I'll begin with KARA. KARA has long opposed legislation that would question the political viability of biotech wheat. We believe that wheat farmers should benefit from the reduced input costs associated with herbicide resistant wheat and increased yields from other biotech qualities just like corn and soybean farmers benefit today.

Unfortunately, the politics of biotech wheat in Kansas and other states has led most private research to abandon wheat. The Kansas Wheat Commission's desire to use some of the proceeds from the increased check-off to fund biotech research will not only lead to advances from that research, it might have the eventual effect of bringing the private sector back to wheat research.

KGFA, on the other hand, supports this bill for a different reason entirely. Our members have long been the dues collector for the commodity commissions. Ever since the first check-off came into existence, our members have provided the service, free of charge, to the state and the various commodity commissions. We do it because we believe that the improved marketing performed by the commissions makes it easier for our members to actually sell the grain they have purchased from the farmers. It is a partnership that is working, and it is one that can be improved. In Wisconsin for example, first purchasers have a seat on the commodity commissions. U.S. Wheat also has a position for first purchasers. We believe that this is a good policy that should be done in Kansas as well. While grain elevators are the primary first purchasers, we are not the only ones. Flour and feed mills, feedlots, ethanol and biodiesel plants all qualify as first purchasers. KGFA believes that each of the commodity commissions should have the opportunity to appoint a commissioner who is a first purchaser. We believe that commissions would be well served by first-purchasers' expertise in marketing their products, and our members

HS Ag & Nat'l. Resources  
2-19-08

Attachment 9

816 SW Tyler, Suite 100  
Topeka, Kansas 66612

(785) 234-0461  
Fax (785) 234-2930  
[www.KansasAg.org](http://www.KansasAg.org)

stand ready and willing to serve if given the opportunity.

I would also like to note that we represent a third association with an interest in this bill. The Kansas Association of Ethanol Processors (KAEP) represents the ethanol plants in the state. Although the bill does not explicitly say that the new check-off dollars would go to cellulosic research, it was noted during the Wheat Commission's report that one of their goals would include such research. KAEP supports funding research to make cellulosic ethanol economically viable and to the extent this bill will help that cause, KAEP supports it.

We also support the corn commission's requested increase in their authority. We understand that they have no plans to raise the assessment at this time, however we do believe it is prudent to not open up this statute any more than is absolutely necessary. Corn growers have truly benefited from the research and marketing provided by their commission dollars and additional authority could help our farmers produce even more corn at a lower cost. We certainly believe that we can produce enough corn to satisfy our food, feed and fuel needs. Additional research will certainly help in that effort.

As first purchasers, we support integrating the state sorghum check-off with the federal check-off so that there will be a seamless transition when the federal one is implemented. In addition, we believe this committee should consider the amendment offered by the Soybean Association when we debated the previous bill. The likelihood of the federal soybean check-off going away is quite slim. However, if it were to be repealed, our members would greatly benefit from having a seamless transition to the state program. The only difference a producer would notice is the ability to get a refund.

Thank you for the opportunity to address the committee on this bill. I urge the committee to support HB 2897 with the proposed amendment. I will stand for questions at the appropriate time.



**Kansas Cooperative Council**

P.O. Box 1747  
Hutchinson, Kansas  
67504-1747

Phone: 785-233-4085

Fax: 620-662-1144

Toll Free: 888-603-COOP (2667)

Email: [council@kansasco-op.coop](mailto:council@kansasco-op.coop)

[www.kansasco-op.coop](http://www.kansasco-op.coop)

## House Agriculture & Natural Resources Committee

**Feb. 19, 2008  
Topeka, Kansas**

### **HB 2897 - Commodity Commission Bill**

Chairman Faber and members of the House Agriculture & Natural Resources Committee, thank you for the opportunity to share our support a portion of HB 2897 allowing commodity commissions to have a first purchaser represented on their commission. I am Leslie Kaufman and I serve the Kansas Cooperative Council as Executive Director. The Kansas Cooperative Council represents all forms of cooperative businesses across the state -- agricultural, utility, credit, financial and consumer cooperatives. Approximately half of our membership is involved in agriculture/farm supply and marketing.

We do support the ability for a commodity commission to choose to have a first purchaser on their commission. Obviously, our agriculture members could be eligible for such a position. We believe the perspective they bring as a grain dealer could provide a unique perspective and be of value to the overall functions of the commission.

We are confining our comments today to the provisions addressing first purchasers. Our board of directors has chosen not to take a position on modifying commission assessments. Our local agriculture cooperatives are governed by producer-members. A similar type of governance model is in place for commissions. As such, we have confidence in the producer-commissioners acting in the best interests of their producers when making decisions, including those related to assessments.

Thank you for allowing us to comment on HB 2897. We believe the addition of a first purchaser could be positive for the commodity commissions, thus we respectfully request your favorable consideration of this provision. Thank you.

The Mission of the Kansas Cooperative Council is to promote, support and advance the interests and understanding of agricultural, utility, credit and consumer cooperatives and their members through legislation and regulatory efforts, education and public relations.

**Testimony Supporting HB No. 2897**  
**Presented to House Committee on Agriculture and Natural Resources**  
**Tuesday, February 19, 2008**  
**by Jay Armstrong, corn, soybean and wheat farmer from Muscotah, Kansas**

Mr. Chairman and members of the committee,

Thank you for this opportunity to speak in favor of House Bill #2897. My name is Jay Armstrong, a corn, soybean, and wheat farmer from Muscotah, Kansas.

I was elected to the Kansas Wheat Commission 11 months ago, and during this short time I have become amazingly surprised with all the efforts and programs the KWC funds, including research at KSU. In domestic marketing, we inform the public on the health benefits of bread and wheat products. We provide funding that invents new first-point testing instruments for quick analysis in testing for the many characteristics of wheat at the elevator. Internationally, our funding provides assistance to our foreign customers who buy 50% of our wheat, and allows us to work with our competitors to bring biotechnology to wheat, and the list goes on.

When I was in college at KSU, I remember when the public funded much of the research for ag, and, in particular, wheat breeding because of the economic development it brought to our state. That has changed, and today wheat farmers, through their refundable check-offs, have taken it upon themselves to maintain that research.

While wheat acres have dwindled and the cost of research has increased, our needs for a viable wheat industry are not being met. That is the reason I ask for your passage of this bill to grant us the authority, when needed, to raise the assessment to maintain our commitment to making sure that Kansas, the "Wheat State," stays just as that.

Thank you for your consideration.



Testimony Dan A. Cain 2-19-08  
House Ag Committee

Mr. Chairman, member of the committee my name is Dan Cain I own and operate Cain Land and Grain L.L.C. a family limited Partnership that dates back to a Marshall County Kansas Homestead that my great grandfather homesteaded in 1859, two years before Kansas Statehood. This present entity operates in Shawnee, Douglas, Osage and Jefferson Counties. I am a former Chairman of the Kansas Corn Commission and now serve on the KTEC Board University Programs Committee.

I appear here today as a proponent of House Bill 2891 with the Bio-mass and the Bio-imitative policies and programs gaining speed and momentum in the state the time for full press action is now. The future of Bio-mass development incl. the Bio-products to be developed from raw ag commodities is limitless. The energy crisis is in some ways a blessing in disguise as it stimulates us into action.

This bill to raise the amount of check-off money is most timely. In fact the question could be asked is it adequate and is it enough to perform the work that lies ahead?

Look what other industries spend on Research and development compared to what Agriculture spends. You have to spend money to make money and you have to take risk.

Kansas is a vast Treasure Trove of Bio-mass and the opportunities for Bio-Product development are endless, lets examine a few.

We have a basic Bio Product infrastructure in our University system that is functioning today, namely the Kansas Polymer and Research Center at Pittsburg State. Doing joint work with Soybean Oil Polymers Creating Low Plastics.

At Kansas State we have the recent addition of a Bio-Processing and an industrial Agriculture Value added facility commonly referred to as BIVAP.

Both of these centers are designated as Centers of excellence in the KTEC network.

These centers provide a wide range of research capability in developing Ag Bio Product development. Our commodity check off dollars can be invested in this research system in our Kansas University Center of Excellence Program.

(X) Refer to Wall St Journal - Direct attention to excerpts.

Technological Innovation is a must if this state and nation is to maintain world status - The investment has to be made now.

So in conclusion it would be very good policy to raise the commodity check off monies and have the check off be applicable to all the Kansas commodity commissions.

Renewable Bio-Products need further development and have great promise that is the reason for an increase in the commodity check-off.