

Approved: 2/17/09  
Date

## MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on January 28, 2009 in Room 446-N of the Capitol.

All members were present except:  
Senator Janis Lee- excused

Committee staff present:  
Raney Gilliland, Kansas Legislative Research Department  
Corey Carnahan, Kansas Legislative Research Department  
Jason Thompson, Revisor of Statutes Office  
Judy Seitz, Committee Assistant

Conferees appearing before the Committee:  
Norm Jennings, Chairman, Kansas Grape and Wine Industry Advisory Council

Others attending:  
See attached list.

Chairman Taddiken called the Committee's attention to a hand out from Legislative Post Audit showing the analysis of the State Conservation Commission expenditures for FY 2008 and a comparison of the actual expenditures and expenditures that might be made through consolidation. (Attachment 1).

A handout (Attachment 2) from George Teagarden, Livestock Commissioner, Kansas Animal Health Department, (KAHD) noting some "perceived" cross overs of the statutory responsibilities of the KAHD and the Kansas Department of Agriculture (KDA).

John Donley, Assistant General Counsel, Kansas Livestock Association (KLA), requested the introduction of a bill regarding the abandonment of water rights.

Senator Barnett moved the introduction of the bill regarding the abandonment of water rights; seconded by Senator Bruce. Motion carried.

Norm Jennings, Chairman, Kansas Grape and Wine Industry Advisory Council (Attachment 3) reported that the Council is a statutory body that began meeting in 2004. In the early 1900's, Kansas had around 5,000 to 6,000 acres of grapes. In 2006, Kansas Agricultural Statistics reported there were 320 acres of grapes in the state. There are currently 22 (twenty-two) licensed farm wineries and 8 (eight) farm winery outlets in the state. Kansas State University received a specialty crop block grant from the KDA to provide educational opportunities and support grape growers and winemakers throughout the state.

The KDA and Department of Commerce (DOC) co-hosted the People's Choice Wine Judging and Grape Stomp at the Kansas State Fair in September. These are popular events which promote Kansas wine.

Mr. Jennings took questions from the Committee.

Tuck Duncan, Member, Kansas Grape and Wine Industry Advisory Council, requested the introduction of three bills: a farmers market permit system administered by the Alcoholic Beverage Control (ABC) for sales, a bill allowing additional production facilities at outlets and a bill allowing a farm winery licensee to also be eligible to hold a manufacturer's license.

Senator Bruce made a motion to introduce all three proposals as one bills regarding the grape and wine industry; seconded by Senator Barnett. Motion carried.

Senator Taddiken noted that a new handout (Attachment 4) from Legislative Post Audit on the State Conservation Commission was distributed and to disregard the previous handout.

The next meeting is scheduled for February 3, 2009.

The meeting was adjourned at 9:30 a.m.



Analysis of Kansas Conservation Commission Expenditures for FY 2008						
Comparing Actual Expenditures and Expenditures That Might Be Made through Consolidation						
Description	What Was		What Might Be through Consolidation		Comments	Difference in Funding Levels
	Amount	Percent	Amount	Percent		
Total expenditures for FY 2008	\$16,965,384		\$16,965,384			
Less amount estimated to be saved through consolidation (as shown in the audit report)	N/A		-\$320,031			
subtotal	\$16,965,384		\$16,645,353			
Fee Funds	\$127,547	0.8%	\$127,547	0.8%	Assume no change in the amount of fees collected by the Department.	
Federal Funds	\$563,437	3.3%	\$563,437	3.4%	Assume no change in the amount of federal funds received by the Commission.	
State Water Plan Fund	\$15,173,035		\$15,173,035		Assume no change in the amount of Water Plan funds allocated to the Commission.	
Buffer Participation Incentive grants & transfer from Wildlife Fee Fund of Kansas Department of Wildlife and Parks	\$150,000		\$150,000		Assume no change in the amount of funds transferred to the Commission.	
State General Fund	\$951,365	5.6%	\$631,334	3.8%	Amount of SGF funding needed to cover remaining costs. The positions that were identified in the model as being eliminated were paid using State General Fund moneys.	-\$320,031
Total funding sources	\$16,965,384	9.7%	\$16,645,353	7.9%		-\$320,031

Senate Agriculture Committee  
 2-8-09  
 Attachment 1

STATE OF KANSAS  
**Kansas Animal Health Department**

**George Teagarden, Livestock Commissioner**

708 SW Jackson, Topeka, Kansas 66603-3714

Phone 785-296-2326 Fax 785-296-1765

Email - [gteagarden@kahd.ks.gov](mailto:gteagarden@kahd.ks.gov)

web site - [www.kansas.gov/kahd](http://www.kansas.gov/kahd)

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January 27, 2009

Senate Agriculture Committee  
Room 446 N, State Capitol

Senator Taddiken and members of the committee,

The Kansas Animal Health Department (KAHD) and the Kansas Department of Agriculture (KDA) do have some "perceived" cross over of our statutory responsibilities, but these are merely duplicative areas of regulatory oversight or agency initiatives. I will highlight these duplicative areas below.

**Emergency Planning**

Both agencies have emergency planning functions, as do most agencies. The Kansas Animal Health Department's emergency planning is based on an outbreak of a foreign animal disease that has been accidentally or intentionally introduced into the United States and more concerning, into Kansas. Our Animal Disease Emergency Plan is based on an outbreak of Foot and Mouth Disease, the most contagious animal disease known. KAHD has also encouraged and assisted each of the 105 Kansas counties in developing county emergency animal disease plans. The Kansas Department of Agriculture's emergency planning deals with food safety issues, plant diseases and such. Both agencies coordinate on planning, but each agency has specific areas of responsibility. The efforts of both agencies are funded by federal dollars through cooperative agreements or grants.

**Feedyards**

KAHD licenses and inspects feedyards for animal welfare issues as well as reviewing records for disease trace purposes. On occasion, individual animals or entire pens of cattle are quarantined because of disease suspicions. The inspections consider bunk space, sanitation, pest control and facility condition. KDA, acting under their authority and Food and Drug Administration authority, visit feedyards to assure compliance with FDA's ban on animal protein fed to ruminants and un-approved medications that might be added to rations. Under KDA's authority, scales are inspected at feedyards.

**Dairies**

KAHD licenses dairies that meet the definition of a feedlot ( $\geq 1000$  head capacity). These dairies are inspected for animal welfare issues and on occasion for the collection of milk samples for a

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Attachment 2*

brucellosis ring test (a surveillance tool for brucellosis identification in a herd). Visits are made to dairies if there is any suspicion of a program disease such as brucellosis or tuberculosis. We also work with dairies on a Johne's Disease control program. KDA, under FDA standard, works with dairies on milk safety. They inspect the milking parlor, collect milk samples for contamination caused by drugs, pesticides and foreign material, review drug use and storage, inspect housing because of milk contamination potential and private water wells that might be on the premises.

There may be responsibilities associated with programs that are coming on line such as the Country of Origin Labeling. This program is held within the USDA Marketing Division and compliance issues may be addressed by contract to state agencies.

The core mission of KAHD is disease control and eradication. KDA's relationship with livestock centers around food safety, meat and poultry inspection and humane treatment of animals in processing facilities. At the federal level, these functions are generally handled by two agencies; disease control by USDA, APHIS Veterinary Services and food safety by the Food and Drug Administration.

George Teagarden  
Livestock Commissioner

**Report of the  
Kansas Grape and Wine Industry Advisory Council to  
Senate Agriculture Committee**

**by Norm Jennings  
Chairman  
Kansas Grape and Wine Industry Advisory Council**

**January 28, 2009**

Good morning, Chairman Taddiken and members of the committee. I am Norm Jennings, owner, grape grower and winemaker from Smoky Hill Vineyards & Winery near Salina. I am pleased to be here today to report on progress made by Kansas Grape and Wine Industry Advisory Council.

The council is a statutory body (K.S.A. 74-552-74-553) that began meeting in 2004. The group discusses ways to help the grape and wine industry grow. The nine-member council brings together individuals from the commercial grape growing industry, the licensed farm winery industry, the liquor industry, the tourism industry, the college of agriculture at Kansas State University and a member of the public with experience in marketing.

Currently there are 22 licensed farm wineries and eight farm winery outlets in the state. In 2006, Kansas Agricultural Statistics reported there were 320 acres of grapes in the state. The U.S. Department of Agriculture will release the 2007 U.S. Census of Agriculture on February 4, 2009, and it will include updated grape acreage data. When the council became active in 2004, there were approximately seven wineries and a little more than 100 acres of grapes.

This year, Kansas State University received a specialty crop block grant from the Kansas Department of Agriculture to provide educational opportunities and support to grape growers and winemakers throughout the state. Highland Community College is offering courses in enology and viticulture and has plans to open an educational and research vineyard in the future. Students at Washburn University are researching factors that impact the Kansas grape and wine industry. The additional higher education interest will provide valuable data.

The Kansas State Fair continues to be a popular venue to promote Kansas wine. For the fifth straight year, the Department of Agriculture and Department of Commerce co-hosted the People's Choice Wine Judging and Grape Stomp, an event that grows in popularity every year. Several Kansas wineries compete in the wine judging event, and a Kansas grape grower provides grapes for the grape stomp. Attendance was high again this year, even with rain. This was the first year that fairgoers could purchase a bottle of Kansas wine at fair, and several bottles were sold.

This year the council is seeking additional statutory changes that will help Kansas wineries add value to and market their wines, and to encourage tourism. The first item the council recommends is to allow farm wineries to sell at farmers' markets. The second recommendation is to amend the manufacturer's license law to allow a farm winery license to have the option to be issued a manufacturer's license. The final recommendation is to allow production facilities at each winery outlet.

The council has been working with the director of the Kansas Department of Revenue's Alcoholic Beverage Control and with grape and wine industry representatives to reach agreement on exceptions to the Kansas law that requires 60 percent of a product used to make Kansas wine to be grown in Kansas. Crop-damaging events like frost, drought and spray drift do occur and they are out of the grape grower's control. These events can cause total crop loss.

The Kansas grape and wine industry continues to grow. The industry continues to apply for grants to help with research and marketing, and to identify efficiencies in wineries and vineyards. The council continues to provide much needed support for legislative initiatives, research, education and marketing to stimulate tourism and sustainable, value-added and environmentally responsible agriculture.

Thank you for your time. I will be happy to answer questions.

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Total funding sources	\$16,965,384	100.0%	\$16,645,353	100.0%		-\$320,031

Senate Agriculture Committee  
 1-28-09  
 Attachment 4