

## MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on February 3, 2009 in Room 446-N of the Capitol.

All members were present.

## 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:

Dr. Fred Cholick, Dean, College of Agriculture; Director, K-State Research and Extension, Kansas State University

## Others attending:

See attached list.

Chairman Taddiken noted the Committee had received a written copy of the Kansas Dairy Marketing Advisory Board Report. (Attachment 1)

The Chairman said that copies of the Senate Agriculture Committee Minutes for January 20 and 21, 2009 were distributed to Committee members and will be acted on later.

Hal Hudson, Kansas Pest Control Association, was in attendance and requested the introduction of a bill regarding fees to start a pesticide and safety education fund in Kansas. The bill was not introduced because it is past the bill introduction deadline date.

Dr. Fred Cholick, Dean, College of Agriculture; Director, K-State Research and Extension, Kansas State University, gave the annual report on the Kansas Center for Sustainable Agriculture and Alternative Crops. (Attachment 2) He said the Center works in partnership with state and federal agencies, nonprofit organizations and agricultural organizations to assist family farmers and ranchers to boost farm profitability, protect natural resources and enhance rural communities. There has been an increased interest in sustainable cropping systems.

Dr. Cholick took questions from the Committee.

Dr. Cholick highlighted some information from K-State's Research and Extension Informal 2008 Report to the Kansas Legislature (on file in Senator Taddiken's office). He said the purpose of K-State's Research and Extension is to develop new knowledge and empower individuals with that knowledge to make a difference in their lives. He also said it is necessary to determine what the private as well as the public good is when a new product is developed.

He recognized the efforts of the city of Gove to keep a community grocery store. Several community-focused organizations, including K-State's Center for Engagement and Community Development (CECD), Kansas PRIDE and the Huck Boyd Institute for Rural Development are working together to provide resources and support for rural grocery stores. The Kansas Sampler Foundation and the United States Department of Agriculture (USDA) Rural Development also helped in the development of local grocery stores in rural communities.

An educational afterschool program used to teach about food, nutrition and health is part of Healthy Kids in Kansas City, Kansas. This program makes healthy foods fun for children ages 3 to middleteen years. The volunteers are the key to the success of this program. If a healthier lifestyle is followed, there will be less spent on health care in the future.

K-State Research and Extension and the K-State Farm Analyst Program held workshops in 2007-2008 to help families develop a plan to retain family farm ownership. Since the average age of a farmer and ranch operator

## CONTINUATION SHEET

Minutes of the Senate Agriculture Committee at 8:30 a.m. on February 3, 2009 in Room 446-N of the Capitol.

in Kansas is over 50 there needs to be ongoing education to help in developing successful transition plans. The real value of this program goes beyond dollars and cents and is about family relationships and how the transfer of the farm is handled.

Dr. Cholick then noted the sorghum breeder program. He said sorghum has tremendous potential in Kansas in the areas of food, feed and fuel. There is very little public investment in the sorghum plant. K-State researchers are working with scientists from several universities and agencies to improve sorghum that is grown domestically and overseas.

He stated that there are 23 counties which have formed eight extension districts to effectively and efficiently use resources.

Dr. Cholick also noted that for every dollar of State General Funds (SGF) spent for research and extension activities; \$3.9 is generated.

Dr. Cholick answered questions.

Staff also took questions from the Committee.

Senator Ostmeyer moved approval of the Agriculture Committee minutes for January 20 and 21, 2009; seconded by Senator Francisco. Motion carried.

The next meeting is scheduled for February 4, 2009.

The meeting was adjourned at 9:20 a.m.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: February 3, 2009

NAME	REPRESENTING
Fred A. Cholick	K-state U
Darryl D. Buchholz	K-State Res + Extension
Lindsey Douglas	KDA
Hal Hudson	KPCA
B. J. Mandless	—
J. J. Jones	Commerce
Chris Wilson	KAAA

**Kansas Dairy Marketing Advisory Board  
report to the  
Senate Agriculture Committee**

**February 2009**

The Kansas Legislature created the Dairy Marketing Advisory Board in 1994 when it enacted K.S.A. 74-555. The board reports each year to the Senate and House agriculture committees.

The Kansas Dairy Association may make nominations for the governor to consider for appointment to the board. Board membership includes two dairy producers, one dairy processor, one consumer and the secretary of agriculture or his or her designee. Current board members are Steve Ohlde, producer; Ronald Reed, producer; Jerald Grey, dairy processor; Kerri Ebert, consumer; and Secretary of Agriculture Adrian Polansky.

The dairy marketing advisory board has two duties: 1) to study and evaluate the need for establishing a statewide milk marketing order; and 2) to make recommendations related to implementing milk marketing orders.

**The Kansas Dairy Industry**

The Kansas dairy industry continues to change. As we have reported the last few years, the state continues to have fewer dairies but with higher milk production. Indeed, the increase in production is dramatic. Kansas shows a 52.14 percent increase in total production between 2000 and 2006.

For benchmarking purposes, we can compare the early 1980s with the early 2000s. In 1981, there were 1,327 Grade A dairies and 738 manufacturing grade operations in 1981. Those dairies had 123,000 cows that produced nearly 1.4 billion pounds of milk. By the end of 2008, Kansas was down to 392 Grade A dairies and 27 manufacturing grade dairies. Those dairies had 118,000 cows that produced more than 2.3 billion pounds of milk. Kansas ranks 10th in production per cow and 18<sup>th</sup> in total milk production.

Dairy manufacturing was challenged during the 18 months leading into September 2008 due to dramatic increases in the cost of raw milk, energy, fuel, packaging and ingredients. Processors had difficulty passing on sharply increasing costs to consumers in the marketplace. This caused reduced margins, which adversely impacted profits during the same period. Fortunately, recent reductions in raw milk prices, fuel costs and other petroleum related materials have allowed some of the margins to be restored to manufacturing side and that improves profitability. Processors have placed an increased emphasis on reducing controllable costs

*Senate Agriculture Committee*  
*2-3-09*  
*Attachment 1*

related to waste, labor, utility and chemicals. Processors are also seeking to improve efficiencies within the manufacturing facilities through continued investment in automated machinery and equipment. Several initiatives are in the works to reduce the carbon footprint by lowering energy consumption demands and increasing recycling efforts as they relate to milk production and distribution activities.

### **Changing National Picture**

Nationwide, milk production during 2007 increased 2.1 percent compared with 2006, growing to a record 186 billion pounds. Nationally, the dairy growth areas continue to be in the southwest, centered in the New Mexico, west Texas, west Oklahoma and southwest Kansas areas.

### **Regional Dairy Compacts**

The Kansas Legislature acted in 1999 to allow the Kansas secretary of agriculture to enter into a southern interstate dairy compact if it was determined it would benefit Kansas producers. The Kansas Dairy Association supported this action. The goal of compacts was to stabilize prices paid to farmers for fluid milk, which reduces business uncertainty and stabilizes the regional milk supply. There has been no action to form such a compact in the past year, and none is expected in the near future.

### **Milk Prices**

Milk prices in the latter part of 2008 were significantly lower. The November 2008 statistical uniform price (SUP) in Central Federal Order No. 32 was \$15.61 per hundredweight compared to \$20.36 for December 2007. Many producers have locked in grain purchases earlier at higher prices compounding the lower milk price.

Consumer milk prices have been impacted recently by a number of pressures. Supply of dairy products as a whole has been down causing higher store prices. The organic market has been expanding and many conventional milk processors are attempting to gain access to these consumers by labeling milks as "antibiotic free," "pesticide free" or "milk from cows not treated with rbST." Consumer surveys completed in the fourth quarter of 2008 indicate that "rbST free milk" in stores was selling at nearly 45 percent more than regular milk and organically produced milk was selling for about 55 percent more. All milk is tested to ensure it is free of antibiotics and pesticides. The U.S. Food and Drug Administration approved the use of rbST in 1993. However, many dairy farmers and producer groups believe these label statements are misleading to consumers. Some producers fear that approved technologies such as rbST that allow them to efficiently produce milk may not be available to them in the future.

### **Conclusion**

Change in the dairy industry is inevitable, but Kansas is showing many positive changes. Increased production improves the state's chances of attracting a processing plant with jobs and economic benefits. Also, several smaller producers are developing ideas to produce cheese or

bottled milk for niche markets. The Kansas Department of Commerce's agricultural marketing program and the Kansas Department of Agriculture's dairy inspection program are available to help turn producers' good ideas into reality.

Currently, the Kansas Dairy Marketing Advisory Board does not see a need to establish a statewide milk marketing order. The board respectfully recommends to the Kansas Legislature that it continue to monitor these issues and their impact on production practices and the milk price paid to the Kansas dairy industry. We thank the Kansas Legislature for its interest, and we stand ready to appear before your committee at your request to discuss these ongoing issues and any recent developments.



January 2009

TO: Kansas Legislators

FR: *Fred A. Cholick*  
Dr. Fred A. Cholick  
Dean, College of Agriculture  
Director, K-State Research and Extension  
Kansas State University

Dean of the College of Agriculture  
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RE: Kansas Center for Sustainable Agriculture and Alternative Crops Annual Report

The Kansas Center for Sustainable Agriculture and Alternative Crops (KCSAAC) was established by Senate Bill 534 and passed by the 2000 Kansas Legislature out of concern for the future survival of family farms in Kansas. KCSAAC, a center within Kansas State University Research and Extension, works in partnership with state and federal agencies, nonprofit organizations and agricultural organizations to assist family farmers and ranchers to boost farm profitability, protect natural resources and enhance rural communities.

The Center is required to provide an annual report to the Senate and House Agriculture Committees. The 2008 annual KCSAAC report is enclosed and we will stand for any questions during our regular agriculture briefing. We have been able to leverage considerably more federal dollars, using the Center's state dollar investment (FY09 - \$71,695). The Center has been successful in addressing sustainable agriculture issues and problems of Kansas family farms.

KCSAAC has established its reputation as a resource for producers, professionals and organizations with interest in diversifying agricultural production, increasing farm income through value added products, resource enhancement, and conserving natural resources.

As a result of partnerships and collaborations with state agencies such as Kansas Department of Agriculture, Kansas Department of Commerce, non profit organizations such as the Kansas Rural Center and agricultural organizations such as the Kansas Graziers Association and the Kansas Organic Producers, the center and its partners have identified needs, designed programs, and sought outside resources to benefit the citizens of Kansas.

Please contact me or the KCSAAC Director or Coordinator if you have questions regarding the Kansas Center for Sustainable Agriculture and Alternative Crops.  
KCSAAC Director, Pat Murphy, 785-532-5838 or [jmurphy@ksu.edu](mailto:jmurphy@ksu.edu)  
KCSAAC Coordinator, Jana Beckman, 785-532-1440 or [beckman@ksu.edu](mailto:beckman@ksu.edu)

cc: Sue Peterson, Steven Graham, Daryl Buchholz

Kansas State University  
Agricultural Experiment  
Station and Cooperative  
Extension Service

K-State Research and  
Extension is an equal  
opportunity provider and  
employer.

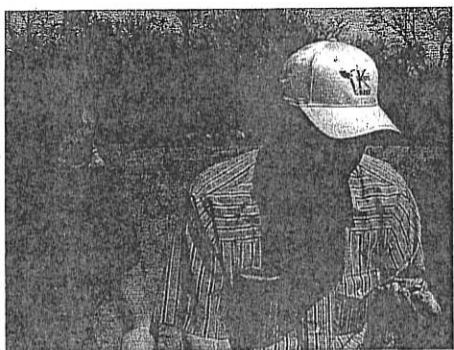
*Senate Agriculture  
Committee  
2-3-09  
Attachment 2*

*"Knowledge  
for Life"*



### Energy and Input Costs Spark Increased Interest in Sustainable Cropping Systems

Cover crops, long-term crop rotations, integrated pest management and other practices used in natural and organic production can reduce input use, erosion, runoff, improve a farm's profits and protect natural resources. On May 2, ten Extension agents attended a sustainable agriculture tour held in conjunction with the Kansas Association of County Agricultural Agents 2008 Spring Meeting. Tour stops included the Jim and Sue Keating farm, Homestead Milling, New Cambria, KS and Advanced Enterprises, a sorghum flour processing mill. On October 2, farmer educators at the "Integrated Management Strategies for Sustainable Cropping Systems" workshop and tours described and demonstrated practices that contribute to sustainable and organic cropping systems. Tour stops included Hartter Feed and Seed and the Eugene Edelman farm, Sabetha. Twenty-five people attended the October workshop and tours.



Above: Rachael Boyle, Phillips-Rooks Extension District #5, and Ron Seyfert, Central Kansas Extension District #3, learn about organic asparagus production at the Jim and Sue Keating Farm, Minneapolis.

*The Center collaborates and facilitates with partners to develop multidisciplinary projects and activities directed towards research and outreach needs expressed by Kansas producers and other stakeholders.*

**Since the Center's inception in 2001, \$625,000 of state funding has resulted in the award of \$4.2 million dollars of grant funds for sustainable agriculture projects in Kansas.\***

The projects funded in 2008 include:  
2008 Kansas Senior Farmers Market Nutrition Program  
21st Century Farmers' Markets  
Promoting Kansas Farmers' Markets  
2008 Kansas SARE Professional Development Program

\* approximate amounts

### Producers Adjust Grazing/Livestock Management Practices

Members of the Kansas Graziers Association were surveyed to determine to what degree low stress animal handling techniques have been implemented in their operations.

- Forty percent have attended additional low stress animal handling workshops or seminars since low stress animal handling was taught at the 2007 Winter Grazing Conference
- Fifteen percent have discussed low stress handling techniques with others
- Sixteen percent have used low stress handling techniques when rotating animals between pastures
- Twenty-two percent have used low stress handling techniques when working, loading or unloading livestock

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### Kansas Farmers' Markets Highlighted at State Fair

To raise awareness and encourage Kansans to shop at local farmers' markets, KCSAAC participated in the K-State Research and Extension "We Know" promotion. "We Know Farmers' Markets" cards describing the benefits of buying locally grown foods were distributed at the K-State Research and Extension booth. Bookmarks with the web link to the Kansas Farmers' Market Directory and twenty-five informational packets on how to start a local farmers' market were distributed at the Kansas Department of Commerce booth.



Left: Tim Miller, NRCS Rangeland Specialist, describes how to identify native grasses and forbs. Left to right, Nathan Geiger, Doniphan County Extension, Tim Miller, and Dottie Harris, Jefferson County Conservation District.

### Sessions Provide Training and Resources for Extension Agents and State Agency Staff

KCSAAC conducted and organized training sessions to provide information and resources for Extension agents and Conservation District staff who receive production, marketing and nutrition questions from producers and consumers. The topics, audience and attendance are listed below.

- Defining Food Labeling Terms - 60 Family and Consumer Science Extension Agents attended
- Value Added and Small Scale Food Processing, 50 Family and Consumer Science Extension Agents attended
- Eastern Kansas Forage School - 42 Agricultural Extension Agents attended
- Plant Identification and Cost Share Program Training Sessions - 30 Extension, Conservation District, NRCS and County Weed Department, attended
- Agritourism: From A to T - 55 Extension agents attended

The training sessions were funded with a grant from the USDA North Central Region Sustainable Agriculture Research and Education (SARE) Program.

### Role of the Center

KCSAAC serves as a resource center for producers, organizations and agricultural professionals in search of information related to sustainable agriculture.

**KCSAAC receives an average of 60 requests for assistance each month.**

The most common requests involve sustainable cropping practices, farmers' market and labeling information, grant sources and grant writing resources, value-added processing, and livestock/grazing systems. 50 % of calls and emails are received from producers and 50% from extension, state agency and non-profit organizations.

**The KCSAAC web site receives an average of 2000 visitors per month.**

The calendar and reference library are the most commonly visited pages.

Visit the KCSAAC web site  
<http://www.kansassustainableag.org>