

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on February 18, 2002, in Room 423-S of the Capitol.

All members were present except: Representative O'Brien - excused  
Representative Showalter - excused

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

Conferees appearing before the committee:

National Turkey Federation (written only)  
Mike Jensen, President, Kansas Pork Association (written only)  
Ken Goodyear, Kansas Pork Association (no written testimony)  
Steve Eichman, Kansas Pork Association  
Gary Beachner, Legislative Committee Chairman, Kansas Grain and Feed Association  
Max Sudbeck, Vice Chairman, Board of Directors, Kansas Agribusiness Retailers Association  
Don Teske, President, Kansas Farmers Union  
Charles Foster, livestock producer, Delia, Kansas  
Harold Walker, President, Kansas National Farmers Organization  
Daniel Howell, farmer/rancher, Frankfort, Kansas  
Ray Hallauer, livestock producer, Holton, Kansas  
Roger Black, Kansas Livestock Association  
Debbie Lyons-Blythe, Kansas Livestock Association  
Andrew Murphy, Kansas Livestock Association  
Allie Devine, Research and Legal Affairs, Kansas Livestock Association  
Chris Wilson, Director of Governmental Relations, Kansas Seed Industry Association and Kansas Crop Improvement Association

Others attending: See attached list

Minutes of the February 11 and 13 meetings were distributed. Chairman Johnson asked members to notify the committee secretary of any corrections or additions prior to 5:00 p.m. February 19, or the minutes will be considered approved as presented.

Copies of the Kansas Dairy Marketing Advisory Board's Annual Report to the Senate and House Agriculture Committees were distributed. The Board recommends that the Legislature continue to monitor the impact of volatile prices on the Kansas dairy industry and congressional action on dairy compacts. (Attachment 1)

**Continuation of hearing on HB 2659 - Contract grower protection act.**

Chairman Johnson opened the hearing on **HB 2659** for opponents only. Proponents had been heard in committee on February 11. Raney Gilliland reviewed the bill for the committee.

Kansas Farm Bureau distributed copies of their proposed substitute for **HB 2659** which was conceptually described in their testimony on February 11. (Attachment 2)

The National Turkey Federation submitted written testimony in opposition to **HB 2659**. The Chairman read excerpts from their testimony outlining their concerns with this legislation. (Attachment 3)

Mike Jensen, President of the Kansas Pork Association, presented written testimony in opposition to **HB 2659**. He noted that not a single Kansas pork producer has ever brought forth a concern to their association that they have been aggrieved in a contractual agreement. (Attachment 4)

Ken Goodyear testified on behalf of the Kansas Pork Association in opposition to **HB 2659**.

## CONTINUATION SHEET

Steve Eichman appeared on behalf of the Kansas Pork Association in opposition to **HB 2659** discussing his family's swine operation and their experiences with hog finishing contracts. He reported that many Kansas producers operate on both sides of these contracts and no one has ever expressed any interest to him in having legislation of this type. ([Attachment 5](#))

Gary Beachner, Legislative Committee Chairman of the Kansas Grain and Feed Association, appeared in opposition to **HB 2659**. He asked that the Legislature use caution when considering any policy that might restrict the options of those involved in production agriculture. ([Attachment 6](#))

Max Sudbeck, Vice Chairman of the Board of Directors of the Kansas Agribusiness Retailers Association, testified in opposition to **HB 2659**. He urged the committee to use caution when considering this issue or any similar proposal that might inadvertently lead to limiting the marketing options currently utilized by Kansas farmers and agribusinesses. ([Attachment 7](#))

Donn Teske, President, Kansas Farmers Union, appeared before the committee again on **HB 2659**. He expressed Kansas Farmers Union's continued support for this legislation, although they would prefer a stronger bill, and their opposition to the Kansas Farm Bureau substitute proposal. ([Attachment 8](#))

Charles Foster, an independent livestock producer from Delia, Kansas, testified in support of **HB 2659**. He would, however, like to see a tougher bill to offer more protection for the agriculture producer. ([Attachment9](#))

Harold Walker, President, Kansas National Farm Organization, appeared in support of **HB 2659**, although he believes the bill needs to be strengthened to address the needs of the agricultural industry. ([Attachment10](#))

Daniel Howell, a farmer/rancher from Frankfort, Kansas, appeared in support of **HB 2659** to provide basic rights to farmers and producers in an era moving toward contract production. ([Attachment 11](#))

Ray Hallauer, a livestock producer from Holton, Kansas, testified in support of **HB 2659** although he does not believe it offers enough protection for an independent producer dealing with large corporations. ([Attachment 12](#))

Roger Black, representing the Kansas Livestock Association, testified in opposition to **HB 2659**. He feels that any legislative fix to the perceived problems associated with production contracts would only complicate and discourage innovation and freedom in the marketplace. He believes these issues can and should be addressed by education, not legislation. ([Attachment 13](#))

Debbie Lyons-Blythe appeared on behalf of the Kansas Livestock Association in opposition to **HB 2659**. She discussed how this bill would impact the livestock industry and in particular their operation. Rather than pass cumbersome restrictive legislation, she joined KLA in encouraging the legislature to support educational efforts to disseminate information that would help individuals enter into win-win agreements. ([Attachment14](#))

Andrew Murphy, on behalf of the Kansas Livestock Association, testified in opposition to **HB 2659**. He expressed two primary problems with the bill, one, that it is completely one-sided, and second, it does not provide for education. He believes education is the more powerful weapon against being taken advantage of, not legislation. ([Attachment 15](#))

Allie Devine, Research and Legal Affairs, Kansas Livestock Association, appeared in opposition to **HB 2659** outlining the association's objections to the bill. KLA believes the costs, confusion, and intrusion into their members' businesses outweighs any perceived benefit. ([Attachment 16](#))

Chris Wilson, Director of Governmental Relations of the Kansas Seed Industry Association and the Kansas Crop Improvement Association, appeared in opposition to **HB 2659** and the Kansas Farm Bureau substitute proposal. She noted that production contracts are a way of life in the seed industry, yet there has been no controversy surrounding these contracts. Samples of seed industry contracts are included with her testimony. ([Attachment 17](#))

Chairman Johnson closed the hearing on **HB 2659**.

The meeting adjourned at 5:24 p.m. The next meeting is scheduled for February 20, 2002.