

## 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 January 30, 2008, in Room 783 of the DSOB.

All members were present except:

Representative Clay Aurand - excused  
Representative Vaughn Flora - excused  
Representative Doug Gatewood - excused  
Representative Carl Holmes - excused  
Representative Larry Powell - 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:

Joe Kejr, President, Kansas Association of Wheat Growers  
Allan Fritz, Professor of Agronomy, Kansas State University  
Jay Warner, Farmer, McPherson, Kansas  
Jere White, Executive Director, Kansas Corn Growers Association and Kansas Grain Sorghum Producers Association  
Duane Simpson, Vice President, Kansas Grain and Feed Association and Kansas Agribusiness Retailers Association

Others attending:

See attached list.

The Chairman welcomed Duane Simpson, Vice President, Kansas Grain and Feed Association (KGFA), and Kansas Agribusiness Retailers Association (KARA). Mr. Simpson proposed a bill be introduced to reduce the amount of paper work involved in weed and feed issues. There being no opposition, the bill will be introduced.

Joe Kejr, a farmer from Brookville, and President of the Kansas Association of Wheat Growers (KAWG), spoke to the Committee in support of **HB 2661 - increasing the wheat assessment to a level of two cents per bushel (Attachment 1)**. He said a survey conducted at the annual meeting in 2007 revealed 96 percent of producers support contributing to the wheat assessment; 21 percent support an assessment of two cents or more.

Mr. Kejr directed members to a graph chart knowing the decline in wheat production from the year 1980 through 2005 (Attachment 2). Mr. Kejr explained that the majority of resources for research and development in wheat is based in the public sector. He said other grains are supported among private entities. He commented further that Kansas State University has experienced a loss of fifteen to twenty percent in both state and federal support for wheat research. He noted the decline of funds has limited the number of young people choosing to enroll in classes for scientific research and study of wheat breeding. Mr. Kejr reiterated the need for sufficient resources to accomplish the goals.

Mr. Kejr answered questions by stating:

- \$2.7 million dollars was collected in 2007, and less than \$1 million was spent domestically for promotion.
- Of the 15,000 surveys sent to members, only three percent was returned.
- With more research on varieties of wheat for planting, farmers can receive pertinent information on the best disease-free seed for planting in their cropland.
- A provision is in place for a farmer to decline paying the assessment and/or receive a refund when application is made within one year.

## CONTINUATION SHEET

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Mr. Allan Fritz, Professor of Agronomy, Kansas State University (KSU), and a wheat breeder, spoke in support of **HB 2661**, stating the change would raise the cap on the wheat value assessment to twenty mills ([Attachment 3](#)). His concerns are based on the data showing the decline in acreage of wheat production at both the state and national level. He indicated that wheat is an important commodity for Kansas and must remain a strong crop in the competitive market. Mr. Fritz stated the lack of funding from the private sector puts increasing pressure on public entities and wheat commissions to invest in wheat research and development. He said an economic study done at KSU in 2006 indicated a return of eleven dollars for each dollar invested; however, wheat is slipping far behind other crops in the biotechnology revolution.

Mr. Fritz commented on a number of critical areas in future years for wheat production. His research centers on finding solutions to various diseases in wheat, a remedy for the impact of drought and heat during the growing season, and determining the value of synthetic wheats.

In answer to questions, Mr. Fritz said:

- Publicly produced germplasms are available for cross-breeding, yet protected by the wheat code of ethics.
- Three states have research programs: Kansas State University, Washington State, and North Dakota, each testing a different genome of wheat.
- Kansas State University invests \$8 million per year in research, with the Wheat Commission providing \$700,000 to \$ 1 million of that amount.

Mr. Jay Warner, a farmer in McPherson, Kansas, spoke in support of **HB 2661** ([Attachment 4](#)), giving a history of his farming experience since 1988. He outlined the many changes from horse, to tractor, to technology.

His comments on the loss of wheat acreage to other crops revealed his concern for the agricultural economy of Kansas as well as his own future success.

Jere White, Executive Director, Kansas Corn Growers Association, and Kansas Grain Sorghum Producers Association, brought testimony in support of **HB 2661** ([Attachment 5](#)). He said both organizations support Kansas Commodity Commissions along with the Kansas Agricultural Alliance, an umbrella agency with many contributing members. He requested amendments for an increase of ten mills per bushel for both grain sorghum and corn, and that no assessments be collected during the time a national checkoff program remains in effect. Mr. White included in his testimony a copy of the Kansas Corn Commission Assessment Refund Voucher for the Committee's information ([Attachment 6](#)).

Kenlon Johannes, CEO of the Kansas Soybean Association (KSA), spoke in favor of the soybean related changes indicated in **HB 2661** ([Attachment 7](#)). He indicated that KSA collects one half of one percent of the net price received by the grower of soybeans and these funds are collected by first purchasers, which is usually the grain elevator owner. He clearly stated that while the national soybean checkoff is in effect, the state does not collect any money from the sale of soybeans. Mr. Johannes said the change would benefit Kansas first purchasers by eliminating the need to alter computer programs having to change to the old bushel rate.

Duane Simpson, Chief Operating Officer and Vice President of Kansas Grain and Feed Association (KGFA), said the membership of KGFA encompasses over 900 business locations and provides ninety-eight percent of commercial grain storage in Kansas. Mr. Simpson's position also encompasses the Kansas Agribusiness Retailers Association (KARA), whose membership includes 700 agribusiness firms supporting farming needs in Kansas.

Mr. Simpson explained the two organizations are in support of **HB 2661** for different reasons ([Attachment 8](#)). KARA stands in support of wheat farmers benefiting from reduced costs for herbicide in the same manner as farmers producing corn and soybean crops. KGFA seeks the amendment to the bill which would allow each commodity commission the option of giving first purchasers, such as grain elevator operators, a position as At-Large commission member.

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Mr. Simpson referred to a third association having interest in **HB 2661** - the Kansas Association of Ethanol Processors (KAEP). He said checkoff dollars could go to cellulosic research and KAEP supports making cellulosic ethanol an economically viable product for Kansans.

Mr. Simpson responded to questions from members, saying there is resistance for genetically modified grains in the world market. He said the seed companies are working in agreement with the bio-technology industry organizations to refrain from marketing any bio-tech grain until the markets have done a regulatory approval process. Mr. Simpson further responded saying some large companies are negotiating internationally in the sale of bio-tech grains.

The Chair closed the hearing on **HB 2661**.

The following provided written testimony:

Adrian Polansky, Secretary of Agriculture, Kansas Department of Agriculture (Attachment 9).

Dr. Fred Cholick, Dean and Director, College of Agriculture, Kansas State University (Attachment 10).

Betty Kandt, Spokesperson, Kansas Wheat Commission (Attachment 11).

Keith Dierberg, President, Home Baking Association (Attachment 12).

Deborah K. Berges, Counselor, Wellness Committee, Kansas State University (Attachment 13).

DeeAnn Roths, Spokesperson, Kansas Wheat Commission (Attachment 14).

Cheryl A Zumbrunn, President, Harvest Lark Company, Chapman, Kansas (Attachment 15).

The meeting adjourned at 4:35. The next meeting is scheduled for January 31, 2008, at 3:30 p.m.