

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on March 17, 2009 in Room 446-N of the Capitol.

All members were present.

Committee staff present:

Corey Carnahan, Kansas Legislative Research Department  
Kristen Kellems, Revisor of Statutes Office  
Judy Seitz, Committee Assistant

Conferees appearing before the Committee:

Mike Brown, Chairman, Kansas Wheat Commission  
Pat Ross, Treasurer, Kansas Corn Commission  
Ron Ohlde, Chairman, Kansas Soybean Commission  
Lance Russell, Chairman, Kansas Sunflower Commission  
Jeff Casten, Kansas Sorghum Commission

Others attending:

See attached list.

Chairman Taddiken mentioned that Raney Gilliland, Kansas Legislative Research Department, lost his father and a card was available for Committee members to sign.

Chairman Taddiken noted that the Kansas Department of Agriculture (KDA) submitted a list of 25 programs to the Ways and Means Subcommittee which would be discontinued in FY2010 due to funding. The Ways and Means Subcommittee recommend the following programs be funded for FY2010: water appropriations - non-use reminder letters, weights and measures - small scales, grain warehouse program and the plant protection - weed-free forage certification. **SB 316 - Application of swine waste** was introduced since there was no funding provided for the program.

Chairman Taddiken said that **SB 316** will be heard and discussed tomorrow in Committee.

Mike Brown, Chairman, Kansas Wheat Commission, said the Kansas Wheat Commission was established in 1957 to represent the states' wheat producers in the areas of research, domestic marketing, international marketing and education and communication (Attachment 1). He said the 2008 Kansas legislature approved a raise in the assessment from 10 mills to 20 mills or two-pennies-per-bushel. He said the wheat assessment will add \$1.5 million to the Kansas Wheat budget in an average crop year. Mr. Brown noted that producers recognize that research is very important. (A printed copy of the Kansas Wheat Commission/Kansas Association of Wheat Growers Annual Report for 2008 is in file in Senator Taddiken's office.)

He said the Kansas Wheat Commission has applied for a \$35 million startup grant from the Kansas BioScience Authority for the Plant Innovation Center to be built near the Kansas State University campus in Manhattan.

The Kansas Wheat Commission participated in a Wheat Foods Council effort called the Urban Wheat Field, held in the Financial District of New York City in October.

He further said that the Kansas Wheat Commission has hosted numerous Trade Teams from other countries so that they might see the value around the globe and see the value of Kansas-grown winter wheat. More than half the wheat grown in Kansas is exported to other nations.

Pat Ross, Treasurer, Kansas Corn Commission, provided the commission's Fiscal Year 2008 financial audit, the FY07 Year-End Budget Report, FY08 Budget (Attachment 2). He also provided the 2008 Annual Report of the Kansas Corn Commission and The Corn Fact Book (on file in Chairman Taddiken's office). Mr. Ross said the 2008 corn production was down slightly from the record-breaking crop of 2007. He reported that Kansas corn growers produced the second largest crop in the state's history, harvesting 486 million bushels. The corn checkoff rate remains at a half-cent per bushel. The FY08 checkoff refund percentage was 13.35 percent, down from 16.28 percent in FY07. The Kansas Corn Commission funds research projects to improve

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the crop and production techniques and fund education efforts to help people understand the role of corn and agriculture in their lives.

He noted that the livestock industry remains the largest market for corn and exports remain an important market for corn and value-added corn products like Kansas beef.

He also stated that the Kansas Corn Commission continues to work with the ethanol promotion group Growth Energy to build demand for ethanol.

Mr. Ross said that farmers experienced a wild ride in 2008 with record commodity prices for a short time, tempered by record prices for fertilizer and fuel. The farmers then experienced a sharp downturn in prices as the country went into an economic slump.

Ron Ohlde, Chairman, Kansas Soybean Commission, reported that the Soybean Commission is part of a federal checkoff program (Attachment 3). One-half of the checkoff collection goes to the United Soybean Board (USB). The number one funding priority of the Commission is research, primarily production research. He said the Commission's international market development is done through the International Grains Program (IGP). Mr. Ohlde said the Commission's consumer education program includes promoting the acceptance of new uses for soybeans such as biodiesel and educating the public on the ease of preparing healthy foods with soy. (A copy of Soy Notes and 2 brochures "Biodiesel in Kansas - where to find it at and where to find it at the pump" are on file in Senator Taddiken's office.)

He reported that the Kansas Soybean Commission will be moving into a new office building scheduled for completion at the end of 2009.

Lance Russell, Chairman, Kansas Sunflower Commission, provided the annual audit report (Attachment 4) He said that one-half of the check-off dollars collected in Kansas are sent to the National Sunflower Association (NSA). The Sunflower Commission sent \$41,047.92 to the NSA for research. The Sunflower Commission, NSA and the High Plains Sunflower Committee funded the position of a new coordinator for sunflower promotion and marketing specific to the high plains region.

Jeff Casten, Chairman, Kansas Sorghum Commission, reported that a thirteen person board of the United Sorghum Checkoff Program (USCP) was formed in October 2008 (Attachment 5). He said that Kansas is a leader in sorghum production with a little less than 50% of sorghum produced. Mr. Casten said that Kansas State University has established a Center of Excellence for Sorghum improvements to provide the students and scientists needed to maintain and improve sorghum production. He also noted the Kansas Grain Sorghum Commission (KGSF) allocated checkoff funds for research, foreign market development, domestic market development, promotion and education projects for FY 2009.

Jeff Casten, Ron Ohlde, Pat Ross, Mike Brown and Lance Russell took questions from Committee.

Kenlon Johannes, Administrator, Kansas Soybean Commission, answered questions.

Sue Schulte, Kansas Corn Growers Association, also took questions from the Committee.

The next meeting is scheduled for March 18, 2009.

The meeting adjourned at 9:32 a.m.