

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on February 11, 2002, in Room 423-S of the Capitol.

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

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

Conferees appearing before the committee:

George Teagarden, Livestock Commissioner, Kansas Animal Health Department
Mike Beam, Governmental Affairs Staff, Kansas Livestock Association
Representative Dennis McKinney
Paul Johnson, Kansas Catholic Conference
Donn Teske, President, Kansas Farmers Union
Dort Goodman, Kansas Cattlemen's Association
Leslie Kaufman, Associate Director, Public Policy Division, Kansas Farm Bureau

Others attending: See attached list

Minutes of the February 4 and 5 meetings were distributed. Chairman Johnson asked members to notify the committee secretary of any corrections or additions prior to 5:00 p.m. February 12, or the minutes will be considered approved as presented.

Hearing, discussion and action on HB 2750 - Indemnity to owners for killing of livestock pursuant to decision by livestock commissioner.

Chairman Johnson opened the hearing on **HB 2750**. Raney Gilliland briefed the committee on the bill requested by the Livestock Commissioner.

George Teagarden, Livestock Commissioner, Kansas Animal Health Department, appeared in support of **HB 2750** to amend KSA 47-612, 47-615 and KSA 2001 Supp. 47-617 relating to contagious and infectious domestic animal diseases as they concern payment by county commissions. This bill would relieve counties of the responsibility for payment and specify payment by the State of Kansas unless payment or indemnity for such animals may be obtained from the federal government. (Attachment 1)

There being no other conferees, the Chairman closed the hearing and opened discussion on **HB 2750**. Representative Feuerborn moved to recommend **HB 2750** be passed, and because the bill is of a noncontroversial nature, be placed on the consent calendar. Seconded by Representative Schwartz, the motion carried.

Hearing on HB 2768 - Termination of pastureland tenancies.

The Chairman opened the hearing on **HB 2768**. Raney Gilliland briefed the committee on the bill.

Mike Beam, Governmental Affairs Staff, Kansas Livestock Association, testified in support of **HB 2768** introduced at KLA's request. He explained that this legislation would amend the farm tenant termination law to clarify that pastureland is subject to the act. The bill defines "pastureland"; establishes a "30 days prior to January 1" termination notice for pastureland; fixes the termination effective date as January 1; and assures tenants an opportunity to be reimbursed for costs associated with fertilizer, herbicides, or pest control substances. Mr. Beam noted that this legislation is only relevant in the absence of a written contract. (Attachment 2)

CONTINUATION SHEET

Chairman Johnson closed the hearing on **HB 2768**.

Hearing on HB 2659 - Contract grower protection act.

Chairman Johnson opened the hearing on **HB 2659** for proponents only. Raney Gilliland outlined the provisions of the bill and reported that this legislation was introduced at the request of the 2001 Special Committee on Agriculture to address concerns expressed by turkey producers in southeast Kansas during interim hearings. This bill, however, includes all production agriculture contracts.

Representative Dennis McKinney testified in support of **HB 2659** to address the imbalance of power between the contract producer and the corporation which owns the commodity. He explained that this bill would provide three key legal protections for the contract grower: (1) Contracts cannot require the producer to accept sick livestock or defective feed; (2) Contracts cannot deny the producer the ability to address a dispute in Kansas courts; and (3) Contractors cannot discourage or prohibit farmers from talking to each other to address concerns or to collectively negotiate contract terms.

Representative McKinney provided written statements in support of **HB 2659** from Roger McEowen, associate professor of agricultural economics and extension specialist in agricultural law and policy at Kansas State University, and Mike Schultz, Chairman, Kansas Cattlemen's Association, as well as copies of actual production contracts with his testimony. (Attachment 3)

Paul Johnson, Kansas Catholic Conference, appeared in support of **HB 2659** to offer some assistance to agriculture contract growers. (Attachment 4)

Donn Teske, President, Kansas Farmers Union, testified in support of **HB 2659** to address problems with contract agriculture. Kansas Farmers Union would prefer a stricter bill with more accountability to the contractor in the area of monopolization of industries. They would also like more support for Coop development to give farmers the numbers needed to negotiate with purchasers and suppliers. (Attachment 5)

Dort Goodman read testimony prepared by Mike Schultz, Chairman of the Kansas Cattlemen's Association, in support of **HB 2659** to give producers an avenue of legal recourse for unfair and unlawful actions when entering into agriculture production contracts. (Attachment 6)

Leslie Kaufman, Associate Director, Public Policy Division, Kansas Farm Bureau, appeared in partial support of **HB 2659**. She reported that some provisions in the bill are compatible with KFB policy including a prohibition on denying producers the ability to negotiate collectively and the language that seeks to protect trade secrets and producer's personal financial information, but the definition language concerns their organization.

On behalf of Kansas Farm Bureau, Ms. Kaufman outlined a proposed substitute bill targeted to production contracts in the poultry industry enumerating more protections for producers than **HB 2659**. KFB's proposal would revise the definition section with simpler language that is more readable and understandable; provide a penalty section similar to Section 1(g) and (h); but would not contain a civil penalty provision. She reported that although their proposed substitute bill targets the poultry industry, Kansas Farm Bureau policy is not species specific. (Attachment 7)

Chairman Johnson closed the hearing on **HB 2659** for proponents. Opponents will be heard in committee on Monday, February 18.

The meeting adjourned at 4:52 p.m. The next meeting is scheduled for February 13, 2002.

