



**Kansas Grain and Feed Association | Kansas Cooperative Council
Renew Kansas Biofuels Association | Kansas Agribusiness Retailers Association**

To: Senate Judiciary Committee
From: Randy Stookey, SVP of Government Affairs, KGFA, KARA, and RKBA
Shahira Stafford, Government Affairs, KCC
Date: January 12, 2021
Re: Joint, Written Testimony in Support of Extending Business Liability and Product Limited Liability Protections re COVID-19 Pandemic

Chairperson Warren and members of the Committee, thank you for the opportunity to provide testimony today. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Cooperative Council (KCC), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association (Renew Kansas).

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas whose membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state.

The Kansas Cooperative Council (KCC) is a statewide trade association representing all forms of cooperatively-structured businesses in Kansas. Its mission is to promote, support, and advance the interests, business success, and understanding of agricultural, utility, credit, and consumer cooperatives and their members.

KARA is an agribusiness industry trade association with membership of over 700 companies across Kansas. Renew Kansas Biofuels Association is the trade association of the Kansas biofuels industry whose mission is to protect and promote the biofuels industry, and demonstrate the positive impacts of biofuels on the Kansas economy.

Across Kansas, our member grain elevators, biofuel processing plants, and agribusiness facilities employ hundreds of Kansans, contribute greatly to the local and state economies, and pay millions of dollars in taxes that help support schools, and local and state government.

Last year, the Legislature passed House Bill 2016 to address the COVID-19 pandemic in Kansas. The legislation also provided certain relief related to health, welfare, property and economic security during this public health emergency, including reasonable business and product liability provisions.

As the provisions in HB 2016 are set to soon expire, this joint testimony is submitted on behalf of the above-named industries in support of this proposal to extend those provisions. Specifically, we stand in support of the business liability and product liability sections in HB 2016.

The business liability section provides businesses with limited immunity in a civil action for a COVID-19 claim if acting pursuant to, and in substantial compliance with, public health directives applicable to the activity giving rise to the cause of action when the cause of action occurred.

The product liability section provides limited product liability protections for anyone who designs, manufactures, sells, distributes, provides or donates a qualified product in response to the COVID-19 emergency if actions were taken at the specific request of, or in response to, a written order or other directive finding a public need for a qualified product as defined in the bill.

The Kansas biofuels industry includes processors of ethanol, biodiesel and renewable diesel. Nearly every gallon of gasoline sold in the United States today contains at least 10% ethanol. Kansas' biofuels industry provides high-quality jobs for plant workers in rural communities across our state, and generates nearly \$4 billion in annual economic activity. Each biofuel processing facility employs an average of 45 people (with an average salary of over \$59,000).

Biofuel production directly benefits Kansas farmers by increasing the demand and local prices for corn, sorghum, and soybeans. Kansas produces more than 600 million gallons of ethanol each year, utilizing 27 percent of the state's corn crop and 30 percent of the state's grain sorghum. Similarly, Kansas annually produces 60 million gallons of biodiesel.

The pandemic created a drastic decline in demand for vehicle fuels of all kinds, which drove down the price of biofuels and agricultural commodities. As a result, each of our eleven ethanol processing plants in Kansas slowed down production, and two plants stopped production entirely for a time.

Nationally, the idling of dozens of ethanol plants reverberated throughout rural America and sent ripple impacts across the farm economy. While we have seen conditions improve somewhat since the low point in April, ethanol production and consumption remain well below pre-COVID-19 levels.

The negative hit the biofuels industry suffered from the pandemic caused the industry to seek federal assistance. However, economic assistance specifically for the biofuels industry has not developed.

One thing that has helped is that some Kansas ethanol plants have been able to produce ethanol for hand sanitizer. Centers for Disease Control and Prevention (CDC) guidance for COVID-19 provides for hand sanitizer containing at least 60% ethyl alcohol, or ethanol.

As Americans endured the COVID-19 outbreak, hand sanitizer emerged as a critical tool to keep people safe. Several Kansas ethanol plants were able to respond to that need by modifying their plant to produce ethanol suitable for hand sanitizer. To ensure consumer safety, fuel and industrial ethanol processors must follow Food and Drug Administration (FDA) standards when producing ethanol for hand sanitizer.

Our ethanol plants continue to process ethanol for hand sanitizer at their facilities, and we ask for the continued product liability protections provided to these plants within House Bill 2016. As we fight to slow the spread of the virus, this will help ensure that ethanol facilities in Kansas are able to continue providing an important ingredient for hand sanitizer.

Thank you for allowing us the opportunity to testify today in support of the proposed legislation.