

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on March 18, 2008 in Room 423-S of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Jason Thompson, Office of Revisor of Statutes
Matt Todd, Office of Revisor of Statutes
Judy Seitz, Committee Assistant

Conferees appearing before the Committee:

Dana Peterson, Producer Policy Specialist, Kansas Association of Wheat Growers (KAWG) and Kansas Wheat Commission
Brad Harrelson, State Director, Governmental Relations, Kansas Farm Bureau (KFB)

Others attending:

See attached list.

Chairman Taddiken noted that the Committee had a copy of a press release (Attachment 1) from the American Bakers Association (ABA) regarding a proposed wheat embargo. The press release also mentions balancing domestic and international customer needs. It also said that the United States Department of Agriculture (USDA) should give priority to the needs of the domestic food industry when supplies of wheat drop below the three-month stocks average. There was no one from the ABA to speak personally to the Committee.

Senator Morris stated that he cannot think of a worse idea than a wheat embargo. He said it took decades to recover from the last embargo.

Dana Peterson, Producer Policy Specialist, Kansas Association of Wheat Growers and Kansas Wheat Commission, spoke in opposition to a proposed wheat embargo (Attachment 2). She said that while wheat prices are at unprecedented highs, they are not a significant cause of food inflation, especially compared to increased energy costs. The KAWG asks for support of a free and open market system. Ms Peterson shared information from the Congressional Research Service (CRS) that the U.S. wheat production accounts for about 9%-10% of world production; but the United States is the world's leading wheat exporter with roughly a 25% share of annual world trade. Kansas produces 16% of the U.S. wheat production. She will provide copies of the complete CRS report for the Committee. She also asked that the Kansas legislature join the KAWG in asking the U.S. baking industry to support the use of biotechnology in order to meet the demands for wheat foods.

Ms. Peterson offered to stand for questions.

Brad Harrelson, State Director, Governmental Relations, Kansas Farm Bureau, appeared in opposition to a proposed wheat embargo. He said the policy of the Kansas Farm Bureau and American Farm Bureau would be in contradiction of the action plan proposed by the American Bakers Association in their press release. Mr. Harrelson said that the ABA's interest in limiting marketing options would not be in the best interest of the producers by limiting those opportunities to get the highest price for their wheat.

There were no questions for Mr. Harrelson.

Chairman Taddiken stated that markets have a way of taking care of themselves and can probably do a much better job than the government. The hearing and discussion on the proposed wheat embargo closed.

Senate Substitute for HB 2860—Restrictions on the approval of an application for a permit to appropriate water submitted by any municipality, was re-referred to this Committee from the floor last week.

Jason Thompson, Office of Revisor of Statutes, reviewed a proposed amendment to **Senate Substitute for**

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HB 2860. He said the amendment narrows the scope of the bill and now only concerns the public wholesale water supply district number 25. Committee of the whole added language that this law would sunset on June 30, 2010 and that a 2008 and 2009 interim committee be appointed to study and investigate the use of eminent domain in condemnation of water rights.

Lee Letourneau, Division of Water Resources, Kansas Department of Agriculture answered questions.

Senator Ostmeyer moved **Senate Substitute for HB 2860**, be amended to apply only to the public wholesale water supply district number 25, seconded by Senator Schmidt. Motion carried.

Senator Pine made a motion to pass **Senate Substitute for HB 2860** out favorably, as amended; seconded by Senator Bruce. Motion carried.

Meeting was adjourned.