

Approved April 24, 1991  
Date

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE

The meeting was called to order by Representative Lee Hamm at  
Chairperson

9:09 a.m./~~p.m.~~ on Thursday, March 28, 1991 in room 423-S of the Capitol.

All members were present except: Representative Wisdom, Representative Neufeld  
and Representative Heinemann. All were excused.

Committee staff present: Raney Gilliland, Legislative Research  
Lynne Holt, Legislative Research  
Jill Wolters, Revisor of Statutes Office  
Pat Brunton, Committee Secretary

Conferees appearing before the committee: James H. Blaauw, Field Representative, Kansas  
Soybean Association, McPherson  
Russell Sylvester, Kansas Soybean Commission,  
Ottawa  
Nancy E. Kantola, Legislative Agent, Committee  
of Kansas Farm Organizations, Topeka  
Tom D. Wilson, Kansas State Grain Inspection  
Department

Chairman Hamm opened hearings on SB 323 - grain commodity commissions;  
soybean promotion.

James H. Blaauw, Kansas Soybean Association, testified in support of  
SB 323. Mr. Blaauw informed the committee that the Kansas Soybean  
Association is very supportive of the new national checkoff because it  
is farmer run, each soybean producer contributes equally nationwide,  
50% of all funds collected remain in the state, a 5% cap on administrative  
costs, and provides for a continuance producer referendum 18-36 months  
after the program begins. He further stated this program will provide  
many more opportunities through research and promotion both nationally  
and on the state level than ever before and will help improve profits  
to Kansas soybean producers through market development, promotion, and  
research. (Attachment 1).

Russell Sylvester, Kansas Soybean Commission, testified in support of  
SB 323. He stated that SB 323 has provisions to allow for the creation  
of a soybean promotion and research fee fund which will be used to deposit  
the federally collected funds from the checkoff. (Attachment 2).

Nancy Kantola, Committee of Kansas Farm Organizations, testified in  
support of SB 323. (Attachment 3).

Hearings were closed on SB 323.

Hearings were opened on SB 129 - grain inspection department, function  
and fees.

Tom Wilson, Kansas State Grain Inspection Department, informed the  
committee this is clean up legislation for action taken last year.

Hearings were closed on SB 129.

Discussion followed each testimony.

Representative Bryant moved to pass SB 129 and place on Consent Calendar.  
Representative Reinhardt seconded the motion. Motion carried.

Representative Rezac made a motion to pass SB 323. Representative Minor

CONTINUATION SHEET

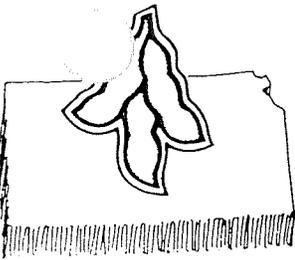
MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE

room 423-S Statehouse, at 9:09 a.m./~~p.m.~~ on Thursday, March 28, 1991

seconded the motion. Motion passed.

The meeting adjourned at 9:35 a.m. The next meeting of the House Agriculture Committee will be Friday, March 29, 1991, at 9:00 a.m. in room 423-S, State Capitol.





# KANSAS SOYBEAN ASSOCIATION

Affiliated with the American Soybean Association

DATE: MARCH 28, 1991

PRESENTATION: HOUSE COMMITTEE ON AGRICULTURE

ISSUE: SENATE BILL 323

BY: MR. JAMES H. BLAAUW, FIELD REPRESENTATIVE,  
KANSAS SOYBEAN ASSOCIATION  
1432 HOMESTEAD PLACE  
MCPHERSON, KANSAS  
316-241-6732

I SPEAK TODAY ON BEHALF OF THE KANSAS SOYBEAN ASSOCIATION IN SUPPORT OF SENATE BILL 323. THE KANSAS SOYBEAN ASSOCIATION IS A GRASS ROOTS, NOT-FOR-PROFIT, VOLUNTEER, COMMODITY ORGANIZATION OF SOYBEAN FARMERS WORKING TO ASSURE THE OPPORTUNITY FOR PROFIT FOR KANSAS SOYBEAN FARMERS. THE KANSAS SOYBEAN ASSOCIATION CONDUCTS IN STATE PROMOTIONAL ACTIVITIES TO DEVELOP AND EXPAND MARKETS FOR SOYBEAN PRODUCTS. THESE ACTIVITIES INCLUDE PROMOTION OF SOYBEAN OIL AND SOYBEAN PRODUCTS, CONSUMER EDUCATION, INDUSTRIAL USES PROMOTION AND EDUCATION, AND ELEVATOR EDUCATION. WE CARRY ON THESE ACTIVITIES WITH THE HELP AND SUPPORT OF THE KANSAS SOYBEAN COMMISSION.

THE 1990 FARM BILL HAS SET UP A NATIONAL CHECK OFF PROGRAM KNOWN AS THE SOYBEAN PROMOTION, RESEARCH, AND CONSUMER INFORMATION ACT. THE KANSAS SOYBEAN ASSOCIATION SUPPORTS THIS PROGRAM BECAUSE IT WILL PROVIDE FOR MORE OPPORTUNITIES TO PROMOTE OUR PRODUCTS, DEVELOP AND EXPAND MARKETS FOR OUR PRODUCTS, AND FOR EXPANDED RESEARCH. THE AGRICULTURAL MARKETING SERVICE OF THE USDA HAS DEVELOPED A FEDERAL MARKETING ORDER WHICH AUTHORIZES THE EXISTING STATE SOYBEAN COMMISSIONS TO CARRY OUT THE DIRECTIVES IN THE ORDER. SENATE BILL 323 WILL ALLOW THE KANSAS SOYBEAN COMMISSION TO COMPLY WITH THE FEDERAL MARKETING ORDER. SB 323 ALSO SETS UP A SOYBEAN PROMOTION AND RESEARCH FEE FUND WHICH WILL ALLOW THE KANSAS SOYBEAN COMMISSION TO DEPOSIT THE FEDERALLY COLLECTED CHECKOFF FUNDS. AS DIRECTED BY THE FEDERAL MARKETING ORDER, ONE HALF OF ALL FUNDS WILL BE REMITTED TO THE UNITED SOYBEAN BOARD. THE REMAINING PORTION WILL BE USED IN STATE FOR RESEARCH AND PROMOTION AS DIRECTED BY THE KANSAS SOYBEAN COMMISSION. THE BILL ALSO PROVIDES DIRECTION ON THE CEASING OF STATE SOYBEAN ASSESSMENTS WHEN THE NATIONAL CHECKOFF BEGINS.

THE KANSAS SOYBEAN ASSOCIATION IS VERY SUPPORTIVE OF THE NEW NATIONAL CHECKOFF BECAUSE IT IS FARMER RUN, EACH SOYBEAN PRODUCER CONTRIBUTES EQUALLY NATIONWIDE, 50% OF ALL FUNDS COLLECTED REMAIN IN THE STATE, A 5% CAP ON ADMINISTRATIVE COSTS, AND PROVIDES FOR A CONTINUANCE PRODUCER REFERENDUM 18-36 MONTHS AFTER THE PROGRAM BEGINS. THIS PROGRAM WILL PROVIDE MANY MORE OPPORTUNITIES THROUGH RESEARCH AND PROMOTION BOTH NATIONALLY AND ON THE STATE LEVEL THAN EVER BEFORE. THIS PROGRAM WILL HELP IMPROVE PROFITS TO KANSAS SOYBEAN PRODUCERS THROUGH MARKET DEVELOPMENT, PROMOTION, AND RESEARCH.

THANK YOU FOR YOUR CONSIDERATION OF THIS ISSUE, AND WE APPRECIATE YOUR SUPPORT IN ALLOWING THE KANSAS SOYBEAN COMMISSION TO COMPLY WITH THE NATIONAL PROGRAM AND FOR KANSAS SOYBEAN PRODUCERS TO PARTICIPATE IN THIS NATIONAL PROGRAM.

KANSAS SOYBEAN ASSOCIATION  
BOARD OF DIRECTORS

<u>DISTRICT</u>	<u>NAMES &amp; ADDRESSES</u>	<u>TELEPHONE NUMBER</u>
I	HARLAN BAILEY R.R.3, Box 58 SABETHA, KS 66534	913-284-2560
II	DANIEL GUETTERMAN Box 32 BUCYRUS, KS 66013	913-879-2443
III	CARL SOBBA ROUTE 1 GARNETT, KS 66032	913-448-3551
IV	SCOTT JARRETT R.R.2, Box 179 BAXTER SPRINGS, KS 66713	316-674-8507
V	DWIGHT JOHNSON, VICE PRESIDENT 720 LEAVENWORTH MANHATTAN, KS 66502	913-537-9718
VI	ROBERT DANIELS 145 N. POPLAR WICHITA, KS 67214	316-682-6409
VII	LEONARD FINGER R.R.3, Box 95 LARNED, KS 67550	316-285-2335
AT-LARGE	ELMER DAVIS, CHAIRMAN R.R.1, Box 14 HAVILAND, KS 67059	316-862-5239
AT-LARGE	BLAINE HOLDER, VICE PRESIDENT 1612 COUNTRY CLUB RD. ATCHISON, KS 66002	913-367-2981
AT-LARGE	ERIC NIEMANN, PRESIDENT R.R.1, Box 11 NORTONVILLE, KS 66060	913-886-6021
AT-LARGE	NEIL MARTIN, TREASURER ROUTE 1 HALLOWELL, KS 66744	316-597-2538
ASA DIRECTOR	DALE ROBERDS ROUTE 5, Box 172 PITTSBURG, KS 66762	316-231-4463

BROWN COUNTY	CHUCK BEBERMEYER R.R.1, Box 49 RESERVE, KS 66434	913-742-7608
DONIPHAN CO.	JERRY JESCHKE R.R.1, Box 130 ROBINSON, KS 66532	913-442-5520
KANSAS SOYBEAN COMMISSION	KENT OTT R.R.2, Box 510 MULVANE, KS 67110	316-777-1092
KANSAS SOYBEAN PROCESSORS	DOUG DEBELAK P.O. Box 2696 WICHITA, KS 67201	316-292-2200
KANSAS SOYBEAN LADIES	LOIS NIEMANN R.R.1, Box 11 NORTONVILLE, KS 66060	913-886-6021
KANSAS STATE	DR. GERRY POSLER THROCKMORTON HALL-KSU MANHATTAN, KS 66506	913-532-6101
KANSAS STATE	DR. DAN DEVLIN, SECRETARY NE AREA EXTENSION OFFICE 1515 COLLEGE AVE. MANHATTAN, KS 66502	913-532-5832
<p>JAMES H. BLAAUW, FIELD REPRESENTATIVE  KANSAS SOYBEAN ASSOCIATION  1432 HOMESTEAD PLACE  MCPHERSON, KS 67460  316-241-6732</p>		

DATE: 28 MARCH 1991

PRESENTATION: House Committee on Agriculture

ISSUE: Senate Bill 323

BY: Mr. Russell Sylvester, Kansas Soybean Commission Member  
Ottawa, Kansas

HS. Ag.  
3-28-91  
ATTACHMENT 2

The Kansas Soybean Commission in cooperation with the Kansas State Board of Agriculture is directed by the Kansas Grain Commodities Act to recommend program/education, and publicity, and to implement and coordinate practices relative to the commodity and products represented. Funding for the program is levied as an assessment per bushel, currently at \$.02, on all soybeans marketed through commercial channels in the state. Those funds, collected on a fiscal year basis, currently provide support to fourteen in-state scientific studies investigating varietal improvement, efficient chemical usage, crop rotation/conservation practices, extrusion technology, new product development, and storage management. In addition the funds provide access to over 220 foreign development programs with human and livestock nutritional emphasis in 75 countries, including trade servicing to foreign and domestic buyers of soybeans and products, along with in-state programming of soybean protein quality improvement, industrial use applications, and elevator education.

To allow all U.S. soybean production to contribute equally to such programming, and to allow all soybean producers to participate in a national self-help program for the industry, federal legislation was adopted within the context of the 1990 Farm Bill known as the Soybean Promotion, Research, and Consumer Information Act. The corresponding federal marketing order has been developed by USDA's Agricultural Marketing Service, which authorizes existing state soybean commissions to comply with the directives in the order and names state entities to serve as the collector of the national soybean checkoff. Senate Bill 323 provides language allowing the Kansas Soybean Commission and the Kansas State Board of Agriculture to comply with all provisions of the federal order in terms of collection, refund, audit function, fund disbursement, and certification.

Other provisions of SB 323 allow for the creation of a soybean promotion and research fee fund which will be used to deposit the federally collected funds. One-half of the deposited funds, will be dispersed to the United Soybean Board on a monthly basis as directed by the federal marketing order. The balance of the funds

will be retained in state for research and development programming on behalf of the Kansas soybean producer as determined by the existing seven producer member Kansas Soybean Commission.

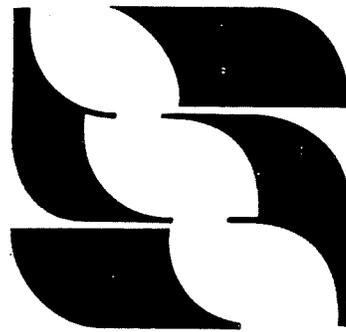
The bill also provides that no state assessments will be collected while the national checkoff program for soybeans is in effect. A producer referendum will be held 18-36 months following the start of the national program to determine its' continuance.

The impact on the in-state program is a potential increase in program support to areas of research and development projects now unable to fully support. In their current budget year, the Kansas Soybean Commission received viable research requests totaling over \$366,000, however limited funds were made available to \$206,000 of in-state research programming. The additional funding to be received by the implementation of the national program will be invested in needed state research efforts.

The checkoff rate will be determined by calculating 1/2 of 1 percent or 50 cents on \$100 of sales. Such rate will be sensitive to market conditions during the year. Hypothetically, Kansas' average production will generate approximately \$1.521 million. The retained funds in state, or one-half of the total, \$760,725, will be less than current receipts, however a higher percentage will now be available to be invested in needed state research and development efforts. Presumably, the equal share being dispersed to the United Soybean Board, will be invested in national and international programming now the responsibility of each state commission.

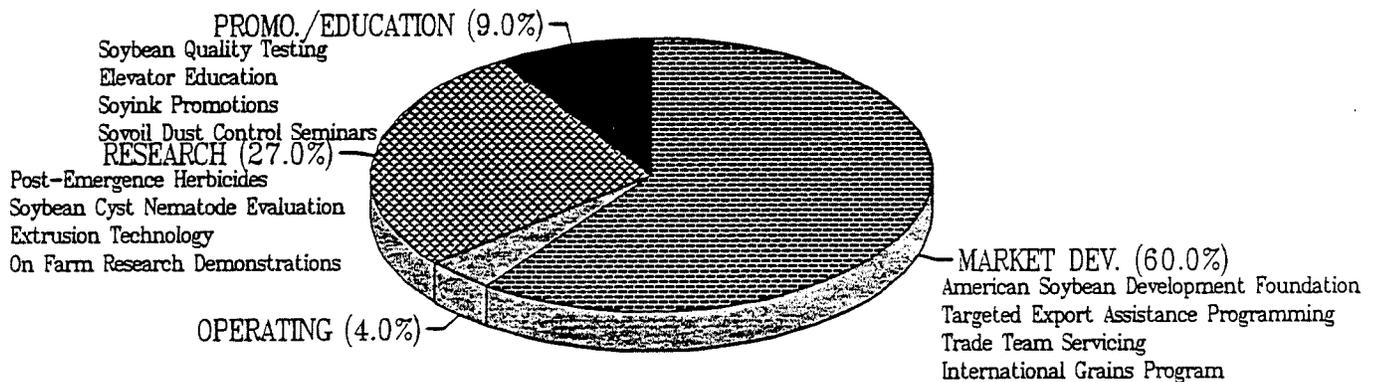
The goal of the national program is to improve profits for soybean producers by expanding soybean export markets, reducing production costs, developing new uses for soybeans and promoting soy products in the domestic market. The program is based on cooperation among all soybean producers and the unification of 30 state programs into a nationwide effort. In addition, state retained funds will enhance existing state needs in scientific/developmental areas, and domestic/industrial use areas.

Thank you for your consideration to allow the Kansas Soybean Commission to comply with this newly created national program.



**KANSAS**  
**SOYBEAN**  
COMMISSION

**KANSAS SOYBEAN COMMISSION**  
**PROGRAM 1991**



SEVEN MEMBERS, APPOINTED BY THE GOVERNOR

ASSESSMENT, 20 MILLS(2 CENTS) PER BUSHEL

**KANSAS SOYBEAN COMMISSION  
FISCAL YEAR 1991**

Market Development:

- |    |                              |                  |             |
|----|------------------------------|------------------|-------------|
| 1. | American Soybean Development | \$350,000 (0391) | (\$402,000) |
| 2. | Kansas Soybean Association   | \$ 50,000        |             |

Research Grants:

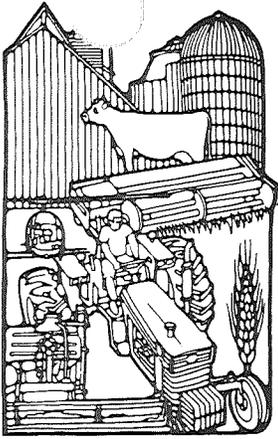
1. KSU Southeast Kansas Branch Station, \$19,890 (0918)  
"Soybean Cultivar Development for Southeastern Kansas"
2. KSU Southeast Kansas Branch Station, \$5,000 (0808)  
"Agronomic Effects, Profitability and Riskiness of Long-Term Crop Rotation in Southeastern Kansas"
3. KSU Department of Agronomy, \$46,000 (0809)  
"Breeding Soybeans for Increased Profitability"
4. KSU Department of Grain Science, \$12,244 (0758)  
"Grain Storage, handling, and Sanitation Specialist"
5. KSU Department of Grain Science, \$9,849 (0632)  
"International Grains Program - IGP"
6. KSU Department of Agronomy, \$10,065  
"Using Reduced Rates of Postemergence Soybean Herbicides"
7. KSU Department of Agronomy, \$9,000  
"Introducing Soybeans Into Crop Rotations in South Central Kansas"
8. KSU Department of Plant Pathology, \$5,000  
"Soybean Cyst Nematode Detection and Race Identification"
9. KSU Department of Grain Science, \$14,000  
"Extrusion Technology for Food Applications of Soybeans"
10. KSU Department of Agronomy  
"Testing and Adapting a Decision Model for Postemergence Weed Control"
11. KSU Department of Agronomy, \$30,000  
"Increasing Soybean Production Through the Use of Cyst Nematode Resistant Cultivars"
12. KSU Department of Agronomy, \$5,000  
"On Farm Soybean Action Research"
13. KSU Department of Plant Pathology, \$13,800  
"Effect of Climate and Soil Properties on Host-Parasite Relationships of the Soybean Cyst Nematode and Charcoal Rot Fungus"
14. Southeast Kansas Area Extension Office, \$9,500  
"A Soybean Educational Program for Southeast Kansas"

(\$206,348)

KANSAS SOYBEAN COMMISSION

<u>DISTRICT</u>	<u>NAMES &amp; ADDRESS</u>	<u>TELEPHONE NUMBER</u>	<u>EXPIRATION DATE</u>
I	Stanley McCauley RR 1, Box 213 Leona, KS 66532	913-359-6983	11/30/93
II	Russ Sylvester RR 3, Box 213 Ottawa, KS 66067	913-242-3598	11/30/93
III	Gary Parker RR 1, Box 126 Moran, KS 66755	316-496-2452	11/30/93
IV	Mark Wing RR 1 Altoona, KS 66710	316-698-3337	09/30/92
V	Dale Konzem, Chairman 409 N. Hersey Beloit, KS 67420	913-738-3092	09/30/92
VI	Ken Ott, Vice-Chairman RR 2 Mulvane, KS 67110	316-777-1092	09/30/92
VII	W. Stanley Compton RR 2 Larned, KS 67550	316-285-2568	06/30/91

Galen Swenson, Administrator  
109 SW 9th Street  
Topeka, KS 66612-1282  
913-296-3738



# Committee of Kansas Farm Organizations

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Nancy E. Kantola  
Legislative Agent  
3604 Skyline Parkway  
Topeka, KS 66614  
(913) 273-5340

STATEMENT OF POSITION OF THE  
COMMITTEE OF KANSAS FARM ORGANIZATIONS

RE: S.B. 323

House Agriculture Committee

Committee of Kansas  
Farm Organization Members

Associated Milk Producers, Inc.

Kansas Agri-Women Association

Kansas Association of Soil  
Conservation Districts

Kansas Association of  
Wheat Growers

Kansas Cooperative Council

Kansas Corn Growers Association

Kansas Electric Cooperatives

Kansas Ethanol Association

Kansas Farm Bureau

Kansas Fertilizer and  
Chemical Association

Kansas Grain and Feed  
Dealers Association

Kansas Livestock Association

Kansas Meat Processors  
Association

Kansas Pork Producers Council

Kansas Rural Water  
Districts Association

Kansas Seed Industry Association

Kansas Soybean Association

Kansas State Grange

Kansas Veterinary Medical  
Association

Kansas Water Well Association

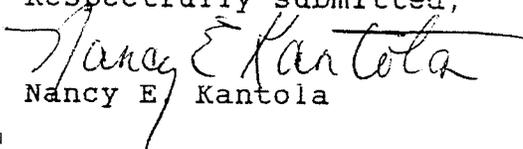
Mid America Dairymen, Inc.

March 28, 1991

Mister Chairman, Members of the Committee: I am Nancy Kantola, Legislative Agent for the Committee of Kansas Farm Organizations. Our group is comprised of twenty-one member organizations. We require a unanimous vote to take a position on an issue.

We support the Kansas Soybean Association in their request for the legislative authority to participate with their national association in the funding of promotion and development of their commodity.

Respectfully submitted;

  
Nancy E. Kantola

HS. AG.  
3-28-91  
ATTACHMENT 3