

Approved March 31, 1992
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE

The meeting was called to order by Sen. Don Montgomery at
Chairperson

10:00 a.m./~~p.m.~~ on March 30, 1991 in room 423-S of the Capitol.

All members were present except:

Senators Harder and Lee

Committee staff present:

Raney Gilliland, Legislative Research
Lynne Holt, Legislative Research
Jill Wolters, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Mel Brose, Dairy Commissioner

The chairman called the committee's attention to the minutes of March 26 and recalled that Sen. Frahm had suggested that paragraph seven may need to be clarified and questioned if Ms. Rice's statements referred to "law" or "rules and regs". Ken Wilke of the Board of Agriculture had clarified and submitted the language for the committee's approval. In paragraph six and seven, he added "NIST" before "Handbook" and changed the number of the Handbook from "67" to "44" in paragraph six. In paragraphs six and eight, he inserted "current" before the word "law". The first sentence in paragraph seven was replaced with the following sentences: "Mr. Wilke said that NIST Handbook 44 which addresses the subject has been adopted by rule and regulation. It would require a pump to have a dual display to accomodate the use of "gallon equivalents". Current law, K.S.A. 83-211, requires that compressed natural gas must be sold in units of volume or mass." Sen. Frahm made a motion to so amend the minutes of March 26, Sen. Webb seconded, and the motion carried.

The chairman began the continued discussion of Substitute for HB 3046 which would create the Dairy Stabilization Fund. Mel Brose, Dairy Commissioner, had a pass out of figures regarding milk production for 1991 and 1992. (Attachment 1.) He said the figures refer to milk reported which requires a fee and which show a decrease in manufacturing milk. When Mr. Brose completed his summary, the chairman announced that, due to the fact that some committee members who wish to vote on the bill could not be at today's meeting, a vote on the bill will not be taken today.

Sen. Webb made a motion to conceptionally amend Sub. for HB 3046 three ways: 1. That the price of wholesale milk be priced at the cost to the farmer (not to include bottling and other manufacturing costs), 2. That it go into effect only if at least one other contiguous state enacts similar legislation, and 3. To include, as in the Vermont legislation, the requirement of availability only to dairy farmers who receive at least 50% of their annual gross income from operating a dairy farm with a \$30,000 cap and that they be paid for no more than 1,000,000 pounds; Sen. Frahm seconded the motion for the purpose of discussion.

A discussion followed regarding the the number of pounds to use for a cap. Staff clarified that the Vermont legislation allowed payment for only up to 1,000,000 pounds produced, and nothing would be paid for anything produced over that amount.

Upon call for a vote on Sen. Webb's motion to amend, the motion carried.

Staff will prepare a balloon for tomorrow's meeting.

Sen. Brady asked how the 5% tax was determined. Dwight Haddock, Associated Milk Producers, stood to answer. Mr. Haddock said that the producer would have an additional 2¼% so it was thought that twice that amount would make it fair for the manufacturer. Sen. Brady felt that perhaps the 4% assessment

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE,
room 423-S, Statehouse, at 10:00 a.m./~~p.m.~~ on March 30, 1992.

in the bill should be deleted but would have to check further before making a motion so to do. Staff added that clean up language is needed to clarify the blended price of milk.

The chairman clarified for Sen. Frahm that the intent of the bill is that the consumer will pay until a certain point, and then the cost falls on the producer when the price is 115% above the cost of production according to statistics supplied by Kansas State University.

Staff began a discussion of how the price is set for the three classes of milk and if the bill addresses this well. Mr. Haddock said the prices are strickly based on the Minnesota and Wisconsin series (M & W) and explained this is computed according to the distance from Wisconsin. Mr. Haddock was not aware that the M & W language had been stricken on the House floor. He feels it would be impossible to determine the price without the M & W as a base with which to work. Staff explained further that the blend price as in the present amended bill with the M & W language stricken will be an average of six prices in the state. Furthermore, she confirmed that, as the bill is now, there will not be a base price for production. It was determined that the chairman of the House Agriculture Committee requested that the M & W series be stricken from the bill. Mr. Haddock reiterated that without the M & W, it would be impossible to determine a price.

Sen. Sallee made a motion to reinstate the stricken language concernig the Minnesota and Wisconsin series, Sen. Webb seconded.

In a short discussion with Mr. Haddock, the chairman determined that the M & W is what causes the basic movement of the price of milk, and it would be an error to strike it from the bill.

Upon a call for a vote on Sen. Sallee's motion, the motion carried.

Sen. McClure asked how soon the study by K-State would occur and if there would be enough time for the study if the bill is to go into effect upon publication in the Kansas register. The chairman said it would be based on the study as of July 1 of this year with information that is available to K-State at present. The committee has been told that the bill is needed now as an emergency situation exists with the price of milk going down. Sen. McClure stated that she feels that if the bill is passed for dairy farmers, other types of farmers would be deserving of similar legislation. The chairman commented that other farmers have not submitted a proposal but commissions have been created for them.

The chairman asked staff if reimbursement to K-State for extra personnel should be addressed in the bill. Staff felt that criteria should be spelled out for arriving at a cost of production and could be added on page 3, lines 6 and 7.

The chairman said the committee would meet tomorrow for action on the bill.

The minutes of March 27 were approved.

The meeting was adjourned at 10:50 a.m.

Dairy Commission

<u>MONTH & YEAR</u>		<u>T1A</u>	<u>T1B</u>	<u>MONTH</u>	<u>YEAR</u>
FEB	92	86,312,998	6,096,217	-7.1%	- .5%
JAN	92	96,153,195	6,557,336	+ .8%	-2.6%
DEC	91	95,440,815	6,428,726	+6.6%	-4.9%
NOV	91	89,075,021	6,048,196	-3.1%	-6.6%
OCT	91	91,739,925	6,399,380	+5.2%	-3.5%
SEP	91	86,840,679	6,176,085	-4.0%	-2.1%
AUG	91	90,310,495	6,587,094	+ .6%	-3.0%
JUL	91	89,567,685	6,747,830	+ .6%	-5.8%
JUN	91	88,855,502	6,880,138	-10.8%	-1.2%
MAY	91	99,491,332	7,837,051	+2.2%	- .8%
APR	91	97,393,811	7,576,869	-2.0%	+ .2%
MAR	91	99,124,989	7,935,167	+10.5%	+ .6%
FEB	91	88,730,462	7,134,771	-9.9%	+ .3%
JAN	91	97,532,298	7,948,688	-1.5%	+ .2%
DEC	90	99,147,891	7,919,487	+5.2%	
NOV	90	93,654,027	7,888,401	- .1%	
OCT	90	93,441,946	8,205,125	+6.5%	
SEP	90	87,334,524	7,716,842	-4.8%	
AUG	90	91,687,743	8,197,234	-2.3%	
JUL	90	91,942,781	10,323,028	+2.1%	
JUN	90	89,967,211		-10.3%	
MAY	90	100,305,045		+3.1%	
APR	90	97,167,174		-1.4%	
MAR	90	98,521,002		+10.2%	
FEB	90	88,453,056		-9.1%	
JAN	90	97,346,824			

T1A ONLY

*Senate Agriculture
3-30-92
Attachment 1*

1991

GRADE A PRODUCERS

MONTH	GRADE A	NEW	QUITS	TOTAL
<u>JANUARY</u>	1111	5	4	<u>1,112</u>
<u>FEBRUARY</u>	1112	-	2	<u>1,110</u>
<u>MARCH</u>	1110	3	10	<u>1,103</u>
<u>APRIL</u>	1103	2	5	<u>1,100</u>
<u>MAY</u>	1100	3	7	<u>1,096</u>
<u>JUNE</u>	1096	4	3	<u>1,097</u>
<u>JULY</u>	1097	2	6	<u>1,093</u>
<u>AUGUST</u>	1093	3	2	<u>1,094</u>
<u>SEPTEMBER</u>	1094	5	9	<u>1,090</u>
<u>OCTOBER</u>	1090	3	14	<u>1,079</u>
<u>NOVEMBER</u>	1079	3	12	<u>1,070</u>
<u>DECEMBER</u>	1070	2	6	<u>1,066</u>
		—	—	
<u>TOTAL FOR YEAR</u>	1111	+ 35	- 80	"

1992

GRADE A PRODUCERS

MONTH	GRADE A	NEW	QUITS	TOTAL
<u>JANUARY</u>	1066	3	4	<u>1,065</u>
<u>FEBRUARY</u>	1065	3	1	<u>1,067</u>
<u>MARCH</u>	1067	4	11	<u>1,060</u> AS OF 03-27-92
<u>APRIL</u>				

1990

GRADE A PRODUCERS

MONTH	GRADE A	NEW	QUITS	TOTAL
<u>JANUARY</u>	1107	4	4	<u>1,107</u>
<u>FEBRUARY</u>	1107	2	1	<u>1,108</u>
<u>MARCH</u>	1108	3	9	<u>1,102</u>
<u>APRIL</u>	1102	4	3	<u>1,103</u>
<u>MAY</u>	1103	4	6	<u>1,101</u>
<u>JUNE</u>	1101	2	2	<u>1,101</u>
<u>JULY</u>	1101	2	3	<u>1,100</u>
<u>AUGUST</u>	1100	10	-	<u>1,110</u>
<u>SEPTEMBER</u>	1110	2	5	<u>1,107</u>
<u>OCTOBER</u>	1107	6	5	<u>1,108</u>
<u>NOVEMBER</u>	1108	7	4	<u>1,111</u>
<u>DECEMBER</u>	1111	6	6	<u>1,111</u>
		—	—	
TOTAL FOR YEAR	1107	+ 52	- 48	= "

1991

MANUFACTURING PRODUCERS

MONTH	MFG.	NEW	QUITS	TOTAL
<u>JANUARY</u>	295	-	6	<u>289</u>
<u>FEBRUARY</u>	289	1	4	<u>286</u>
<u>MARCH</u>	286	-	7	<u>279</u>
<u>APRIL</u>	279	1	7	<u>273</u>
<u>MAY</u>	273	1	4	<u>270</u>
<u>JUNE</u>	270	1	6	<u>265</u>
<u>JULY</u>	265	-	4	<u>261</u>
<u>AUGUST</u>	261	1	5	<u>257</u>
<u>SEPTEMBER</u>	257	2	5	<u>254</u>
<u>OCTOBER</u>	254	1	6	<u>249</u>
<u>NOVEMBER</u>	249	2	5	<u>246</u>
<u>DECEMBER</u>	246	-	9	<u>237</u>

TOTAL FOR YEAR 295 + 10 - 68 = "

1992

MANUFACTURING PRODUCERS

MONTH	MFG	NEW	QUITS	TOTAL
<u>JANUARY</u>	237	-	7	<u>230</u>
<u>FEBRUARY</u>	230	1	5	<u>226</u>
<u>MARCH</u>	226	-	2	<u>224</u>
<u>APRIL</u>				

1990

MANUFACTURING PRODUCERS

MONTH	MFG	NEW	QUITS	TOTAL
<u>JANUARY</u>	336	-	7	<u>329</u>
<u>FEBRUARY</u>	329	-	4	<u>325</u>
<u>MARCH</u>	325	2	4	<u>323</u>
<u>APRIL</u>	323	2	5	<u>320</u>
<u>MAY</u>	320	-	4	<u>316</u>
<u>JUNE</u>	316	-	2	<u>314</u>
<u>JULY</u>	314	1	2	<u>313</u>
<u>AUGUST</u>	313	1	5	<u>309</u>
<u>SEPTEMBER</u>	309	1	4	<u>306</u>
<u>OCTOBER</u>	306	1	8	<u>299</u>
<u>NOVEMBER</u>	299	-	3	<u>296</u>
<u>DECEMBER</u>	296	1	2	<u>295</u>

TOTAL FOR YEAR 336 + 9 - 50 = "