

Approved: Eugene Shore 3-8-93  
Date

## MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Eugene Shore at 9:10 a.m. on February 25, 1993 in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department  
Jill Wolters, Revisor of Statutes  
Kay Johnson, Committee Secretary

Conferees appearing before the committee: Representative Bruce Larkin  
Ivan Wyatt, Kansas Farmers Union  
Dan Nagengast, The Kansas Rural Center, Inc.  
Mike Jensen, Kansas Pork Producers Council  
Dee Likes, Kansas Livestock Association

Chairman Shore called the meeting to order and explained the minutes of February 16, 17 and 18, 1993 had been distributed in yesterday's meeting and unless corrections are received by 5:00pm on Friday, February 26, 1993, the minutes will be considered approved.

Hearings opened on **HCR 5005: Constitutional amendment to prohibit corporations from acquiring farm or ranch land.**

Representative Rezac explained this bill is exactly like the Initiative 300 bill passed in Nebraska. It is a very broad bill covering all agriculture and he does plan an amendment to limit it to the swine industry only.

### Proponents:

Representative Bruce Larkin, attachment #1, said it is time to let the voters in Kansas determine the structure of agriculture in Kansas. This bill will put controls on corporate operations while leveling the playing field for family farmers. Representative Larkin agreed with Representative Rezac that the resolution should be changed to include only swine production.

Discussion followed on support of **HB 2069** if it was put to a vote of the people, the singling out of the swine industry, differences between Kansas and Nebraska agriculture, expansion or update of facilities in Nebraska since Initiative 300 took effect and the average size of hog operations in Nebraska.

Ivan Wyatt, President, Kansas Farmers Union, attachment #2, said the issue is not size, but market control. This resolution gives the people input and provides ground rules for corporations.

Discussion followed on shutting down corporate feedlots, migration of cattle to western Kansas due to better climate and the tax advantages a corporation has or doesn't have over a family farm.

Dan Nagengast, Executive Director, The Kansas Rural Center, Inc., attachment #3, said the Center is committed to the economy, environment and social culture of rural communities and supports this resolution because it would encourage expansion among existing or beginning family farmers rather than outside corporations.

Discussion followed on the price of corn in western and eastern Kansas, percent of hog production in the hands of corporations vs. family farms in Nebraska, the affect of corporations on rural communities in general and how DeKalb has helped the Plains area attain higher average incomes and bank deposits.

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE, Room 423-S Statehouse, at 9:10 a.m. on February 25, 1993.

Written testimony was submitted from Mary Harper, Harper Valley Farms, attachment #4, and Raye Sprague, attachment #5.

### **Opponents:**

Mike Jensen, Executive Vice-President, Kansas Pork Producers Council, attachment #6, said size seems to be the issue, but it is incorrect to think if you limit the organizational structure you will also limit the size. A corporation is nothing more than a business structure. He is in strong opposition to a swine specific bill.

Dee Likes, Executive Vice-President, Kansas Livestock Association, attachment #7, said his association has voted overwhelmingly to support legislation to allow corporations to own agricultural land for the purpose of operating swine confinement facilities and to oppose any legislation that would limit entry into the cattle business.

Discussion followed on KLA membership and voting procedures, percent of cattle owned by corporations and percent of cattle fed by individuals, why cattle farmers were not against corporate farming and the economic development of Garden City.

Written testimony was submitted by Warren Parker, Assistant Director, Public Affairs Division, Kansas Farm Bureau, attachment #8, and Joe Lieber, Executive Vice-President, Kansas Cooperative Council, attachment #9.

The meeting adjourned at 10:00am.

BRUCE F. LARKIN  
REPRESENTATIVE, DISTRICT SIXTY-THREE  
R.R. 1  
BAILEYVILLE, KANSAS 66404



TOPEKA

HOUSE OF  
REPRESENTATIVES

AGENDA CHAIR

COMMITTEE ASSIGNMENTS

MEMBER: EDUCATION  
TAXATION

Testimony for the  
House Agriculture Committee  
on HCR 5005

Over the past several weeks there has been much discussion both pro and con on the issue of corporate swine production. We have seen several ag organizations testify in support of the measure while many of their members have showed up in person to testify in opposition. There's no doubt from the testimony heard that this is a very controversial issue that needs to be put to rest.

I would suggest to the committee that the resolution be changed to include only swine production and ownership of land. Let the voters of the State determine this issue on the structure of agriculture. We hear a lot about the indecisiveness of business to locate in Kansas due to the instability of the tax system. I contend that pork production has been affected the same way due to the threat year after year of changing the corporate farm laws. Bankers are reluctant to loan money for new production facilities due to the threat of the broilerization of the swine industry. Producers are reluctant to expand these facilities due to the same threat. This hasn't happened in Nebraska where the stability of initiative 300 has caused major gains in both hog and cattle production since its passage. During the period from 1985-1991, Nebraska lost 10.7% of its producers, but increased its production by 17.9%. Kansas lost 32.5% of its producers while only expanding production by 4.6%. Currently, Nebraska has nearly 50% more farmers than Kansas. Contrary to the claims of the corporate cattle industry in Kansas, Nebraska has increased its feedlot numbers dramatically, but they are family-owned operations. This has had the effect of spreading out the profits in agriculture. The results are more farmers generating a living from farming and more economic stability for rural areas.

In closing, I still contend that family farmers are the most efficient structure for agriculture in this country, however they have to be able to compete on a level playing field. Since we cannot control federal farm policy or tax policy, our attempt at leveling the playing field is our corporate farm laws.

HOUSE AGRICULTURE  
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ATTACHMENT #1

STATEMENT  
OF  
IVAN W. WYATT, PRESIDENT  
KANSAS FARMERS UNION  
ON  
HCR 5005  
(CONSTITUTIONAL AMENDMENT ON CORPORATE OWNERSHIP OF  
AGRICULTURAL LAND)  
BEFORE  
THE HOUSE COMMITTEE ON AGRICULTURE

FEBRUARY 25, 1993

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM IVAN WYATT, PRESIDENT OF THE KANSAS FARMERS UNION.  
WE RISE IN SUPPORT OF HCR 5005.

I THINK IF THE RECENT ELECTION, AND ESPECIALLY THE PEROT FACTOR, TAUGHT US ANYTHING, IT IS THAT MANY PEOPLE FEEL THAT GOVERNMENTS AT THE FEDERAL AND STATE LEVEL ARE LESS RESPONSIVE TO PEOPLE RELATED ISSUES, AND THAT THEY FOCUS TOO MUCH ATTENTION ON THE FINANCIAL AND POLITICAL CLOUD OF THE FACELESS CORPORATE INTERESTS AT THE EXPENSE OF PEOPLE AND THE STATE OF KANSAS.

THERE IS AN EVER-GROWING CONCERN OVER THE DETERIORATION OF THE STATE RURAL COMMUNITIES AND THE RELATED LOSS OF OPPORTUNITIES FOR THE RURAL YOUTH. SADLY TO SAY, EXCEPT FOR SOME HAND WRINGING, THERE HAS BEEN NO MEANINGFUL ATTEMPTS FROM GOVERNMENT AND GOVERNMENTAL AGENCIES TO DEAL WITH THE PROBLEM. IN FACT, THERE IS MUCH GREATER ACTIVE DIRECTED TOWARDS TRYING TO IGNORE OR HIDE THE PROBLEM WITH DISTRACTIONS.

A CONSIDERABLE AMOUNT OF THE RURAL PROBLEM CAN BE CONTRIBUTED TO THE OUT-FLOW OF GENERATED WEALTH FROM RURAL COMMUNITIES, FIRST THROUGH UNREALISTICLY LOW RAW MATERIAL PRICES, AND SECONDLY, THROUGH GENERATED INCOME THAT IS CARRIED OUT OF THE COMMUNITIES BY ABSENTEE CORPORATIONS.

RECENTLY, I HEARD A CONVERSATION AT A KANSAS RURAL DEVELOPMENT COUNCIL, FROM A C.E.O. A OF DENVER FINANCIAL INSTITUTION, WHO INDICATED THAT APPROXIMATELY ONE-THIRD OF THE MONEY FLOWING INTO DENVER ORIGINATED IN KANSAS. THIS

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BLEEDING OFF OF KANSAS CAPITAL CAN BE A MAJOR CONTRIBUTOR TO A DETERIATING RURAL ECONOMY AND RELATED BUSINESSES.

THERE IS EVERY INDICATION THAT IN NEBRASKA, WHICH A CONSTITUTIONAL AMENDMENT IN PLACE SIMILAR TO HCR 5005, RURAL COMMUNITIES AND BUSINESSES FARED MUCH BETTER THAN KANSAS. THIS WAS DURING THE TRYING TIME OF THE 80'S. THIS WAS BECAUSE MORE OF THOSE LIMITED PROFITS GENERATED IN NEBRASKA REMAINED LONGER IN THEIR RURAL COMMUNITIES, RESULTING IN MORE AND YOUNGER FARMERS AND AN EXPANDED AGRICULTURE.

SOME WOULD HAVE US BELIEVE THAT WHATEVER HAPPENS IN THE RURAL AGRICULTURAL SECTOR IS AN INEVITABLE EVOLUTION.

THINGS DO CHANGE, BUT CHANGE IS INFLUENCED BY PEOPLE AND BY LEGISLATION. THIS NATION WAS FORMED BY PEOPLE AND THEIR BELIEFS. THIS NATION DID NOT COME ABOUT BY ONE SINGLE BIG "BANG". IT WAS FORMED BY THE PEOPLE, OF THE PEOPLE AND FOR THE PEOPLE.

CORPORATIONS EXIST BY LAW. LAW, BY NATURE AND BY PURPOSE, PROVIDES CORPORATE ADVANTAGE OVER INDIVIDUALS BY DIFFERENT MEANS.

HCR 5005 DOESN'T TRY TO TURN THE CLOCK BACK ON WHAT HAS BEEN PROVIDED BY LAW.

HOWEVER, HCR 5005 WOULD PROVIDE GROUND RULES ON HOW MUCH THAT SPECIAL PRIVILEGES WILL BE GIVEN TO CORPORATIONS. AN EXAMPLE IS THAT PEOPLE, THROUGH RULES AND LAWS, MAY SET LIMITS ON HOW FAST A CORPORATE TRANSPORT OR AN INDIVIDUAL MAY RACE PAST A SCHOOL, SO THEY DO NOT JEOPARDIZE THE OPPORTUNITIES OF LIFE OF A YOUNGER CHILD. LIKEWISE, THE PEOPLE OF KANSAS SHOULD BE PROVIDED THE MEANS TO PROTECT FUTURE GENERATIONS FROM HAVING A CREATURE OF LAW RIPPING AWAY THEIR FUTURE OPPORTUNITIES AND THE OPPORTUNITIES OF THEIR COMMUNITIES.

HCR 5005 IS A FUTURISTIC RESOLUTION. IT WILL GIVE PEOPLE OF KANSAS THE OPPORTUNITY TO DETERMINE WHETHER THEY WANT A STATE OF RURAL COMMUNITIES, OR THEY WANT THE FUTURE PROJECTED BY THE POPPERS BUFFALO COMMON, OWNED BY A FEW, UTILIZING TEMPORARY WORKERS TO WORK THE FIELDS AND RANCHES, AND A FEW REMAINING TOWNS POPULATED BY THE AGING LAST GENERATION OF PEOPLE WHO ONCE WORKED THE FIELDS AND RANCHES.

THANK YOU



# **The Kansas Rural Center, Inc.**

**304 Pratt Street  
Whiting, Kansas 66552**

**Phone: (913) 873-3431**

Testimony for the House Agriculture Committee  
Concerning HB 5005  
Dan Nagengast, Executive Director  
February 25, 1993

The Kansas Rural Center is a private, non-profit organization that promotes the long term health of the land and its people through education, research and advocacy. The Rural Center cultivates grassroots support for public policies that encourage family farming and stewardship of soil and water. The Center is committed to economically viable, environmentally sound, and socially sustainable rural culture.

We recommend that Kansas pass corporate farming restrictions that prohibit non-family farm corporations from purchasing cropland or livestock. We believe that this bill would speak to the concerns voiced by the proponents of corporate agriculture: namely, it would encourage expansion of the hog business in Kansas. However, this bill would encourage that expansion among existing or beginning family farmers rather than outside corporations.

One only needs to look north a hundred miles to see how we can accommodate family farming and the globalization of agriculture. I urge you to broaden your investigation of Initiative 300 in Nebraska, where the hog industry is doing fine, but it is held in the hands of the small business community made up of family farmers and mainstreet. Ask any economist where the vast majority of jobs are created in our society and they will tell you about the miracle of small business.

It is easy to understand why. To the extent that agriculture builds on self-employment and local ownership, rural communities benefit as profits and decision-making are retained. Jobs created by encouraging family farmers are "owned" jobs. If you can understand the difference between a home owner and a home renter, you can understand the difference between jobs created by encouraging small business. Home owners understand the importance of neighborliness because they are part of the community. If things get tough, or the nest gets fowled in anyway, they accept the responsibility because they are tied to one place and their friends, church, bank, implement dealer, feed and seed dealer, and mainstreet. A renter just moves on.

On the other hand, the corporation that does the best at the bottom line is the one that externalizes or avoids the most costs. Whether that comes in the form of low pay to employees, employees who must seek public benefits because of little or no

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coverage at work, reduced or no taxes, or pollution problems foisted onto society at large, sooner or later society must come forward and pick up the tab. This country was built and developed to the extent it has, because policies encouraged the entrepreneurship in us all.

I can think of no single piece of legislation more encouraging to small business, than something that would put to rest the doubt and worry that thousands of Kansas farmers have because of the perennial fear that the legislature will choose corporations over people. What is good for corporations may be terrible for small businesses, churches, mainstreet, and voters. We heard testimony from numerous young farmers with viable operations, that their bankers were taking a wait and see position, because a vote in the state house could mean the hog industry moves on while they dangle in the wind. This bill would provide them confidence. It would lay a foundation for broad-based economic development.

You have heard testimony from the proponents of corporate agriculture about the Nebraska law. It was wrong in at least two respects. First of all, Nebraska has indeed opened up new packing plants. Packers have stayed there, invested and remodeled. Packers are thriving in a climate where small producers are encouraged. Secondly, Initiative 300 has been enforced in numerous instances. Dr. Flinchbaugh indicated that he felt this was not the case. If he has specifics to back it up, he should provide the information to the Nebraska Attorney General, and I assure you, that law would be enforced. This year's controversy over corporate agriculture started with the premise that Nebraska and Iowa's prices were higher. Let's find out why.

## **Characteristics of Agriculture shared by Kansas and Nebraska.**

Proponents of Corporate Agriculture argue we share the same market.

Both states are in the Top 3 in: Cattle slaughter  
Cattle on calves  
Cattle on feed  
Sorghum for grain or silage.

Both states are in the Top 6 in: Commercial grain storage  
Farm exports.

Both states are in the Top 10 in: Hogs  
Soybeans  
Winter wheat  
Hay  
Cash receipts for livestock  
Total cash receipts  
Government payments.

Both have 47,000,000 acres of farmland.

Both have an average rainfall of 22-23 inches.

### **Differences**

Kansas is 5° warmer.

Kansas raises more wheat.

Nebraska raises more corn.

Nebraska has twice as much irrigation and more groundwater.

Nebraska has 10 times the slaughter capacity.

Nebraska has double the Net Farm Income.

The biggest difference: Nebraska has the Public Initiative Process that Initiative 300 came out of. Farmers can act knowing they are protected. The edge is given to family farmers.





Norman F. and Mary E.  
Harper



Galen and Diane  
Harper  
R #1 Box 100  
Healy, Ks. 67855

~~RECEIVED~~  
~~RECEIVED~~

1004 Kingsley  
Scott City KS 67871  
316-872-2772

February 23, 1993

RE: HCR 5005

Representative Eugene Shore  
Chairman, House Ag Committee  
Room 446  
State Capitol Bldg  
Topeka KS 66612

Dear Representative Shore:

Thank you for allowing hearings on HCR 5005. Since I can't be there to testify I am sending you my testimony and ask that you distribute copies to your committee. Thank you.

You have heard a great deal of testimony about allowing corporations into the swine industry of Kansas. This was stopped several years ago and I find that the majority of hog producers from family farms want it stopped again with a firm decision so they can know where to go in developing their herds and facilities. You have heard Dr. Barry Flinchbaugh about economics of agriculture. Several years ago I heard him speak insisting that farmers need a "level playing field". This is what we still need and want.

Our farm is primarily wheat and we know that we do not have control over return for our grain, no matter what the quality, quantity or availability because of the mega-grain companies. Swine producers face the same obstacles but, like us, they wish to have control of their facilities and decisions for their herds. The success of agriculture in this bread basket of the world has been based on individual opportunities to own and manage individual operations. We already have too many road-blocks trying

(more)

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to stop individualism. You all know firsthand that you value something of your own more than taking care of something someone else owns. We only have to look at the former Soviet Union to see the complete failure of agriculture and starvation caused by unreasonable controls.

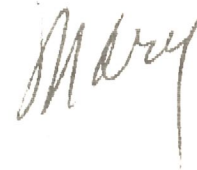
We have watched Nebraska's anti-corporation system and you have been presented with both pro and con testimony on their success. I see it as having been quite successful and having such a system clears the uncertainty out of the way for those who wish to operate under such a system without the uncertainty caused by this "hog bill" coming up every year. I have studied HCR 5005 and believe that we definitely need to pass this legislation. I would hope the corporations don't come in with a blitz of big bucks to convince the voters to kill the constitutional amendment. We have seen the lobbying big bucks here. Why do you suppose the corporations are so insistent on breaking into Kansas? I believe they see big bucks to take out of Kansas to their corporate headquarters and they have little regard for any individual past what he can do for the company. They already control feed processing and much of the marketing. Let's stop it at that.

I urge you to pass HCR 5005 and give individualism and entrepreneur farming the leeway to continue with the assurance that they don't have a big corporation breathing down their necks. Farming is a wonderful way of life and those who continue to farm deserve the opportunity. In this modern world everyone knows what the grass is like on the other side of the fence and let's keep it so each family can decide which side they want to have for their own livelihood.

Thank you.

Sincerely,

Mary E. Harper





TESTIMONY TO  
HOUSE AGRICULTURE COMMITTEE  
ON  
HOUSE CONCURRENT RESOLUTION 5005

PRESENTED BY: RAYE SPRAGUE

I wish I could be here in person to let you know my feelings on this bill. Since the weather has not allowed me to attend I am submitting this testimony as evidence that independent producers like my husband and myself ~~that we~~ feel this issue of corporate involvement in hog production is something that involves more than just producers. This is something that needs to be in front of the people of Kansas because everyone in this state is at risk of being jeopardized by this activity.

As a nation we have let our food supply be bought out and merged to the point of monopoly control. This not only jeopardizes the producers and rural communities but also the consumers. As stated in THE MEAT TRUST, a Factsheet printed by the Western Organization of Resource Council. "When a few large firms buy, slaughter and sell the meat products from most of the livestock produced by farmers, those few firms are in a position to control the price they pay for livestock, control the quality of meat produced, and control the price of meat products they sell...such firms are motivated to pay the lowest possible price for farmers' livestock, produce the minimum quality meat product the consumers will accept, and charge the highest possible price for the meat products they sell." (John Helmuth, Iowa State University) Have you seen a dramatic difference in the increased quality of meat at the grocery store because of this corporate domination? Neither have I!!!

As it was said by Mark Parker, editor of FARMTALK NEWSPAPER, the corporate hog issue in Kansas is a little like Jason from the never-ending "Friday the 13th horror movie series-- just when you think he's dead, a sequel comes out and Jason's back with a brand new hockey mask."

I know that the independent producers can turn the tide so to speak of the swine industry in Kansas if they had the support of a good state organization, the institutions of higher learning and the legislative body behind them. That is what has made the difference in Nebraska's success and anyone there will tell you the same thing.

A vote for this resolution will not only bring this issue up in front of the producers but also in front of the citizens and consumers that need to know what is at stake. It will also settle the argument once and for all so that we can go on and live our lives doing what we enjoy, raising our families and working on our own family farm.

Respectfully submitted.

*Raye Sprague*  
Raye Sprague.

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ATTACHMENT #5



## KANSAS PORK PRODUCERS COUNCIL

2601 Farm Bureau Road • Manhattan, Kansas 66502 • 913/776-0442

Mr. Chairman, members of the committee, my name is Mike Jensen. I serve as the Executive Vice-President of the Kansas Pork Producers Council. I speak today as an opponent to HCR 5005.

Our association opposes any legislation which restricts the business organizational opportunities available to our members. This legislation would serve to further restrict the growth potential of our industry.

Proponents refer often to Nebraska and the impacts in that state. I want to make it clear that the Nebraska swine industry is three times the size of Kansas', they have three major packers, a receptive ag lending climate and a number of "corporate" swine operations. All in place prior to 1984.

This legislation represents an isolationist perspective that I characterize as "township vision".

In the midst of our state's economy facing the prospect of thousands of layoffs in the aircraft industry, it seems incomprehensible to me to restrict the livestock industry in this state, with it's nearly 5 billion dollars in sales. Jobs in the livestock sector relate directly to the number of animals produced, not by the ownership structure. Efforts to restrict ownership will reduce employment.

The philosophies that are the impetus for this type of legislation have their roots in Thomas Jefferson's agrarian theory- an almost romantic notion that a society of independent, free-holding farmers provides the soundest foundation for a republican state...

The assumptions on which this is based are:

1. The farmer is a subsistence operator, buying and selling as little as possible.
2. He did his own work.
3. He owned his land in fee simple.

This Jeffersonian concept, that the family farm be self-contained and non-commercial may have worked in 1780, but not today. I have a great respect for Thomas Jefferson and what he did for our country, but I have two observations:

1. If any of you have been to Monticello you would know he did not practice what he preached.
2. If he was as bright and intuitive as I believe he was, he would be joining me in opposition to this bill.

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ATTACHMENT # 6





6031 S.W. 37th Street • Topeka, Kansas 66614-5128 • Telephone: (913) 273-5115  
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Owns and Publishes The Kansas STOCKMAN magazine and KLA News & Market Report newsletter.

STATEMENT  
OF THE  
KANSAS LIVESTOCK ASSOCIATION  
TO THE  
HOUSE COMMITTEE ON AGRICULTURE  
REPRESENTATIVE GENE SHORE CHAIRMAN  
WITH RESPECT TO  
LIMITING AGRICULTURAL CORPORATIONS'  
BUSINESS ACTIVITIES  
HCR 5002  
Presented by  
DEE LIKES  
EXECUTIVE VICE PRESIDENT  
Thursday, February 25, 1993

Mr. Chairman and members of the committee, the Kansas Livestock Association strongly opposes HCR 5002. The membership of our association has voted overwhelmingly to support legislation that would allow corporations to own agricultural land for the purpose of operating swine confinement facilities and to oppose any legislation that would, in any way, limit entry into the cattle business. Thank you.

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ATTACHMENT # 7





# PUBLIC POLICY STATEMENT

## HOUSE COMMITTEE ON AGRICULTURE

### RE: HCR 5005 - Prohibition of Corporate Farming

February 25, 1993  
Topeka, Kansas

Presented by:  
Warren Parker, Assistant Director  
Public Affairs Division  
Kansas Farm Bureau

**Mr. Chairman and members of the Committee:**

Thank you for the opportunity to speak to you concerning HCR 5005 on behalf of our farmer and rancher members in each of the 105 counties in Kansas.

We come before you with strong opposition to this Resolution. As you know, our organization came before you with qualified support for expansion of the corporate farming statutes found in HB 2069. We supported SB 336, a similar measure now in the Senate Agriculture Committee. We continue to believe in the positive changes and rural opportunities proper corporate farming expansion can bring to Kansas.

This measure is patterned from a measure passed in Nebraska. It is also often stated that Nebraska is some sort of model to look at when dealing with this issue. We continue to be puzzled that Nebraska is used as a comparison, especially in dealing with the swine industry. The analogy of apples and oranges comes to mind. Before the now infamous "Initiative 300" was passed in Nebraska, corporate

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agriculture was established. In Nebraska there are multiple packing plants, and corporate production facilities already exist. To compare that situation to Kansas, which has none of the above, in our view is not reasonable.

Our opposition is not only based on economics and reason, but also philosophy. The Farm Bureau organization, representing farmers and ranchers in 105 Kansas counties and more than 2,800 counties nationally, has been recognized as the "Voice of Agriculture". Seven out of ten farmers in Kansas who belong to any farm organization belong to Farm Bureau. We are looking forward to celebrating our 75th anniversary, both on the state and national level, in the coming year. This grass roots organization was built by farmers and ranchers who believe strongly in the free enterprise system. At the end of this testimony are excerpts from policy positions of the American Farm Bureau Federation.

These policies, as are the state policies of Kansas Farm Bureau, were not developed in a smoky board room. They were developed and voted upon by the grass roots farmers and ranchers this organization represents. They are my marching orders when appearing before Committees such as this one. They speak of the danger of protectionism and restricting the freedoms of Americans, of centralization of power and authority in the government, and of the merits of basic principles of Americanism, including the private competitive enterprise system. HCR 5005 is hardly supportive of the free enterprise system. We believe it's a bad idea, and we ask you to reject it.

Thank you for your time. I would be glad to attempt to answer any questions.

## **AFBF POLICY**

### **Farm Bureau beliefs**

"... Individual freedom and opportunity must not be sacrificed in a quest for guaranteed "security" ...".

### **Legislative branch**

"... We urge Congress to meet its legislative responsibilities by: ... Placing less emphasis on passing new laws that further restrict the freedom of Americans ..."

### **Socialism and communism**

"A danger threatening our republic and our system of private competitive enterprise is the apathy and apparent lack of responsibility on the part of individual citizens in allowing the socialization of America through the centralization of power and authority in ... government. ... We recommend that the basic principles of Americanism-with emphasis upon freedom, dignity and the responsibility of the individual, and our private competitive enterprise system-be taught in the schools."

Testimony on Concurrent Resolution No. 5005  
House Agriculture Committee  
February 25, 1993  
Prepared by Joe Lieber  
Kansas Cooperative Council

Mr. Chairman and members of the committee: I'm Joe Lieber, Executive Vice President of the Kansas Cooperative Council. The Council has a membership of over 200 cooperatives. Of these members over 150 of them are farm supply cooperatives.

Under current law, when they define "processor" they exempt "... collective bargaining units on farmer owned cooperatives."

We are not sure whether passage of HCR 5005 will continue to exempt farmer owned cooperatives.

It does define "Corporation" to be "... for profit or non-profit ..." on page 1, line 28. But on page 2, line 19 it exempts "non-profit corporation."

The council would like to know if farmer owned cooperatives are exempt?

Thank you.

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ATTACHMENT #9