

Approved: Eugene Shore 3-18-93  
Date

## MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Eugene Shore at 9:07 a.m. on March 11, 1993 in Room 423-S of the Capitol.

All members were present except: Representative Lloyd - Excused  
Representative Reinhardt - Excused  
Representative Swall - Excused

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

Conferees appearing before the committee: Representative Robert Krehbiel  
Darrell Monte, Wildlife & Parks Department  
Michael Torrey, Kansas Grain & Feed Association  
Sam Reda, Grain Inspection Department  
Joe Lieber, Kansas Cooperative Council

Chairman Shore called the meeting to order and opened hearings on **SB 79** and **SB 71**.

### **SB 79: Aquaculture advisory council membership and fund use.**

#### **Proponents:**

Representative Krehbiel testified on behalf of Senator Karr who is a co-sponsor of this bill, attachment #1. He explained the two things this bill does: 1) It would increase the membership on the Aquaculture Advisory Council from 11 to 12 members by adding the Secretary of Wildlife and Parks and 2) would authorize the use of aquaculture funds for research in aquaculture. This is a non-controversial bill and it has no state or local fiscal impact.

Darrell Monte, Department of Wildlife & Parks, attachment #2, agreed with Representative Krehbiel concerning the addition of Wildlife & Parks to the Council and he supports funding of aquaculture research.

**Opponents:** None

### **SB 71: Bonding grain storage warehouses.**

#### **Proponents:**

Michael Torrey, Director of Legislative & Regulatory Affairs, Kansas Grain & Feed Association (KGFA), attachment #3, said Director Hamm had met with his association and the KGFA supports this legislation.

Sam Reda, Grain Inspection Department, attachment #4, spoke on behalf of Lee Hamm, Director, Kansas Grain Inspection Department. This bill will change the way warehouse bonds are figured and do away with the registration of collateral warehouse receipts with the Kansas Grain Inspection Department. There would be no fiscal impact on the agency.

Joe Lieber, Executive Vice-President, Kansas Cooperative Council, attachment #5, supports this bill as the changes are technical in nature.

**Opponents:** None

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE, Room 423-S Statehouse, at 9:07 a.m. on March 11, 1993.

Hearings concluded on **SB 79** and **SB 71**. Chairman Shore opened discussion on **SB 247** and **SB 201**. Representative Bryant supports **SB 247** and said it will help bring Kansas' branding statutes up to current times. Representative Bryant made a motion to pass **SB 247** favorably. Representative Gatlin seconded the motion. The motion carried.

Chairman Shore explained that a letter from Marcia Gitelman, Executive Director, Helping Hands Humane Society, Inc., attachment #6, supporting **SB 201** has been distributed to each committee member. Representative Correll made a motion to pass **SB 201** favorably. Representative Rutledge seconded the motion. The motion carried.

The meeting adjourned at 9:20am. The next meeting is scheduled for March 16, 1993.

ROBERT E. KREHBIEL  
REPRESENTATIVE, 101ST DISTRICT  
RENO COUNTY

P.O. BOX 7  
PRETTY PRAIRIE, KANSAS 67570



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
MEMBER: FEDERAL AND STATE AFFAIRS  
JUDICIARY  
TAXATION

TO: HOUSE AGRICULTURE COMMITTEE  
FROM: REPRESENTATIVE ROBERT E. KREHBIEL  
DATE: MARCH 11, 1993  
RE: TESTIMONY IN SUPPORT OF SB 79

Chairman Shore, members of the Committee:

Senator Jerry Karr was unable to attend this morning in support of his and Senator Corbin's bill and he asked if I would fill in for him.

Senate Bill 79 does two things:

1. Senate Bill 79 would increase the membership on the Aquaculture Advisory Council from 11 members to 12 members by adding the Secretary of Wildlife and Parks, or the Secretary's designee, to the Council.
2. Senate Bill 79 would also authorize use of Aquaculture funds for research in aquaculture. Current law allows the funds to be used only to promote and market aquaculture and aquaculture products.

The Secretary of Wildlife and Parks requested that they be added to this Council. It is a logical addition as the aquaculture industry and Wildlife and Parks interrelate in many different areas and both will benefit from shared knowledge.

As knowledge of aquaculture is still developing in Kansas

HOUSE AGRICULTURE  
3-11-93  
ATTACHMENT #1

research will play an important part in assisting the growth of this industry.

This is a noncontroversial bill which passed the Senate with 40 votes. The Director of the Budget indicates that no state or local fiscal impact is attached to this bill.

I have attached to my testimony for informational purposes a brief description of the potential aquaculture holds for Kansas and a list of the current members of the Kansas Aquaculture Advisory Council.

Thank you for this opportunity to appear before this committee and for your consideration of this legislation.

In 1991, the farm gate value for aquaculture in the U.S. was \$800,000,000. This translates into several billion dollars of economic impact which can be attributed to aquaculture. Likewise, we need to realize that the U.S. aquaculture supplies only about 10-15% of total U.S. consumption, 60% of our seafood is still imported. The U.S. has a 2.6 billion dollar trade deficit in edible seafood. Imported seafood products contributed more to the U.S. trade deficit than other agriculture products. As we look at all natural resource products, seafood is the second contributor behind petroleum.

As we look at the world situation there is a global potential for high value aquaculture products. Let's look at the world population, which currently is at about 5 billion people, and this is expected to increase to 8.5 billion by the year 2025. Even if the present per capita consumption stays the same, the demand for seafood will grow from 95.6 to 162 million metric tons per year. If the wild harvest would stay the same, aquaculture in the U.S. would need to increase seven times in the next 35 years, going from 11 million metric tons to 77 million metric tons by 2025. These are staggering figures, but illustrates the potential that exists for aquaculture production.

Kansas seems to be well positioned to participate in the rapid growth of aquaculture expected during the next decade and beyond.

Kansas farm and economic problems suggest that the future role of aquaculture, as a supplement or alternative to traditional farm enterprise may hold some promises, however, aquaculture is a relatively new industry and programs will not happen automatically. Available resources in feed and feed research, access to supplies of water, proximity to markets are pluses for Kansas. There are, however, many issues to be addressed, therefore the Advisory Council plays a significant role in the states future aquaculture development.

## KANSAS AQUACULTURE ADVISORY COUNCIL

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Kansas State Board of Agriculture  
901 S. Kansas Avenue  
Topeka, Kansas 66612-1282  
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Fax: (913) 296-2247

Larry Childs, Designee  
Kansas Department of Commerce  
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Jack Riley, Designee  
Interim Dean of Agriculture  
Waters Hall, Room 115  
Manhattan KS 66506-4008  
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Senator David Corbin  
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Towanda, KS 67144  
Tel: (316) 775-7497

Representative Robert Krehbiel  
P.O. Box 7  
Pretty Prairie, KS 67570  
Tel: (316) 459-6464

Mr. Darrell Weigel  
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2700 E. 4th  
Hutchinson, KS 67501  
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Mr. George Martz  
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Mr. Brent Culver - Chairperson  
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Mr. Joe Burnside  
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STATE OF KANSAS



Joan Finney  
Governor

DEPARTMENT OF WILDLIFE & PARKS

Theodore D. Ensley  
Secretary

OFFICE OF THE SECRETARY

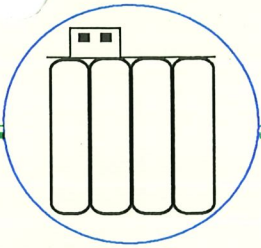
900 SW Jackson St., Suite 502 / Topeka, Kansas 66612 - 1233  
(913) 296-2281 / FAX (913) 296-6953

**S.B. 79**

Testimony Presented To: House Agriculture Committee  
Provided By: Kansas Department of Wildlife and Parks  
March 11, 1993

S.B. 79 would increase membership on the Aquaculture Advisory Council from 11 members to 12 members by adding the Secretary of Wildlife and Parks, or the Secretary's designee, to the Council. This Department supports the Aquaculture Advisory Council approach and concurs with the need to become a member of that Council. S.B. 79 would also authorize use of Aquaculture Funds for research in aquaculture. Research is an important component for the future of aquaculture and the Department supports that funding provision. The Department supports S.B. 79 and would encourage the House Agriculture Committee to report the bill favorably.

HOUSE AGRICULTURE  
3-11-93  
ATTACHMENT #2



## KANSAS GRAIN AND FEED ASSOCIATION

STATEMENT OF THE  
KANSAS GRAIN AND FEED ASSOCIATION  
TO THE  
HOUSE AGRICULTURE COMMITTEE  
REP. EUGENE SHORE, CHAIRMAN  
REGARDING S.B. 71

MARCH 11, 1993

Mr. Chairman and Members of the Committee, I am Michael Torrey, Director of Legislative & Regulatory Affairs for the Kansas Grain and Feed Association. Our Association's approximately 1,000 member locations are involved in the handling, storage and processing of grain. We appreciate the opportunity to comment today in support of S.B. 71.

Essentially this legislation does two things. First, it deals with the calculation of warehouse bonds. The proposal would use the same language as is used now for calculating a federal warehouse bond. Secondly, it eliminates the requirement for registration of collateral warehouse receipts.

Director Hamm met with the Kansas Grain and Feed Association legislative committee to discuss these proposed changes. While our industry is normally opposed to additional regulation, our members were encouraged by Director Hamm's proposal which in fact would streamline the system. Consequently, they voted to support this legislation. The KGFA board of directors discussed this issue during their meeting and, like the legislative

HOUSE AGRICULTURE  
3-11-93  
ATTACHMENT #3

committee, voted to endorse the proposals brought forth by Director Hamm.

As an added note, we would like to point out that our industry shares Director Hamm's concern with the consolidation of the grain industry and the consequent declining numbers that his agency has experienced. Our board asked that the KGFA grain inspection task force meet with Director Hamm and discuss how the industry and his agency can work together during these changing times. I stand ready to answer any questions you may have.

THE STATE OF KANSAS

JOAN FINNEY  
GOVERNOR



LEE HAMM  
DIRECTOR

INSPECTION POINTS

ATCHISON	KANSAS CITY
COLBY	SALINA
DODGE CITY	TOPEKA
HUTCHINSON	WICHITA

GRAIN INSPECTION DEPARTMENT

GENERAL OFFICE

700 Jackson, Suite 800, P.O. Box 1918, Topeka, Kansas 66601-1918

INSPECTION DIVISION

WAREHOUSE DIVISION

PHONE (913) 296-3451



Mr. Chairman and Committee Members -- I am Lee Hamm,  
Director, Kansas Grain Inspection Department.

Senate Bill 71 would make two changes in our warehouse laws.

1. Amend K.S.A. 1992 Supp. 34-229 Change the way the requirements for warehouse bonds are figured for warehouses. The present method is out-of-date, hard to understand and figure. If you read through the stricken language, I think you will agree.

We want it to read the same as the Federal warehouse law reads, except the federal law puts a \$500,000 limit on the amount of bond required. We did not do this.

There would be no fiscal impact on our agency. The new formula gives a more uniform amount as the capacities increase and is not as discriminatory to smaller facilities as our present formula.

HOUSE AGRICULTURE  
3-11-93  
ATTACHMENT # 4

2. Amend K.S.A. 34-240 We would like to do away with the requirement for registration of collateral warehouse receipts with the Kansas Grain Inspection Department. We are one of a few states, if not the only state, that registers warehouse receipts issued by the warehouseman on his company-owned grain for collateral purposes.

As I understand, this began in 1966 when we felt this was the best way to monitor and control the collateralization of warehouse receipts by the warehouseman. We now feel we can control and monitor these by the documentation of all stocks on their monthly stock statements, which are inserted in the examiner's field folder for review and audit during their unannounced examination.

It has become burdensome and expensive for the licensee because the warehouse receipts must be sent via an overnight service each time they are redeemed. Also, the time frame for getting the warehouse receipts back into the hands of the warehouseman can be very costly to the warehouseman because of the demurrage charged on rail cars. He cannot load those cars until he has the receipt back in his hands. We feel we can save the warehouseman some money and still provide necessary monitoring of how these collateral receipts are being used.

Amendments to Section 3, K.S.A. 34-249a and Section 4, K.S.A. 34-2100, are just clean-up language related to the warehouse receipts.

Also, 34-248a is repealed. This also relates to the registration of warehouse receipts and is no longer needed.

STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E

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Joan Finney  
Governor

Gloria M. Timmer  
Director

February 1, 1993

The Honorable David Corbin, Chairperson  
Committee on Agriculture  
Statehouse, Room 143-N  
Topeka, Kansas 66612

Dear Senator Corbin:

SUBJECT: Fiscal Note for SB 71 by Senate Committee on  
Agriculture

In accordance with KSA 75-3715a, the following fiscal note  
concerning SB 71 is respectfully submitted to your committee.

Current law calculates bond requirements based on warehouse  
capacity and closing cash grain prices. SB 71 would base bond  
requirements solely on the licensed capacity of the warehouse.  
Current law also requires that collateral warehouse receipts be  
registered with the Kansas State Grain Inspection Department. SB  
71 would eliminate this requirement.

No state or local fiscal impact is anticipated upon passage of  
this act.

Sincerely,

A handwritten signature in cursive script that reads "Gloria M. Timmer".

Gloria M. Timmer  
Director of the Budget

cc: Lee Hamm, Grain Inspection—

071.fn

Testimony on Senate Bill 71  
House Agriculture Committee  
March 11, 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 local farm supply cooperatives.

The Council has had a good working relationship with the Kansas State Grain Inspection Department and appreciates the Department's support of the grain industry.

The Council feels the changes made in SB 71 are technical in nature, and we support them.

Thank you for your time, and I would be happy to attempt to answer any questions.

HOUSE AGRICULTURE  
3-11-93  
ATTACHMENT # 5



## *Helping Hands Humane Society, Inc.*

OFFICE AND ANIMAL SHELTER  
2625 Rochester Road  
Topeka, Kansas 66617  
Telephone 233-7325

March 8, 1993

TO: Representative Shore and Committee Members  
House Agriculture Committee

RE: SB 201

I regret that scheduling conflicts preclude me from speaking in favor of this bill in person, but I would like to ask for this committee's full support of SB 201.

The Helping Hands Humane Society has participated in the Kansas State Spay/Neuter program for two years and it has been a huge success at our shelter. The animals are more likely to be adopted than euthanized if they have already been sterilized and this reduces the tragic number of animals that must be destroyed each year.

I have been to witness the surgery both years and have been impressed with the thoroughness of the staff and kindness of the students towards our animals. At no time did I witness any questionable procedures or any activity which would suggest irresponsible or inhumane practices.

It has been our experience that this program benefits the animals, our staff, and the future veterinarians of this state. Please vote in favor of SB 201.

Respectfully Submitted,

*Marcia Gitelman*

Marcia Gitelman  
Executive Director

HOUSE AGRICULTURE  
3-11-93  
ATTACHMENT # 6