

Approved: January 25, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE

The meeting was called to order by Chairperson David Corbin at 10:00 a.m. on January 19, 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
Lila McClafin, Committee Secretary

Conferees appearing before the committee: Sam Brownback, Secretary, Kansas State Board of Agriculture

Others attending: See attached list

Secretary Brownback extended greetings to members of the Committee, and invited them to visit his office at any time. He briefly commented on the pending legislation regarding the election of the Secretary of Agriculture. He reviewed programs in the Agency and gave a summary of Kansas Agriculture for 1992. A copy of New Crops, New Uses, New Markets, 1992 Yearbook of Agriculture was passed around. Mr. Brownback authored the lead chapters in this book (Attachment 1)

Secretary Brownback was asked to provide members of the Committee with information regarding how many families in Kansas are living totally off of farm income. Also, what is the average size of family farms in surrounding states. He responded to other questions, and spoke briefly about the Value You Added and FACTS programs.

The meeting adjourned at 10:49 a.m.

The next meeting is scheduled for January 20, 1993.

GUEST LIST

COMMITTEE: Senate Agriculture

DATE: 1-19-93

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PRESENTATION TO
SENATE AND HOUSE AGRICULTURE COMMITTEES
January 19, 1993

by Sam Brownback
Kansas Secretary of Agriculture

Mr. Chairman, members of the Committee, it's my pleasure to be here today to present a report on the condition of Kansas agriculture and activities of the Kansas State Board of Agriculture.

Overall, 1992 was a good year for Kansas Agriculture. In some areas, and with certain crops, it was a great year. In other places we had weather related catastrophes that made it a difficult year.

Kansas Agriculture and the input and processing industry associated with it continues to be the largest single section of the Kansas economy. In 1991 gross farm income totaled \$8.1 billion. With a conservative multiplier of three the total contribution of agriculture to the state's economy would be \$24 billion.

A disappointing long-term trend reappeared in 1992. Since 1988 we have had 69,000 farms in Kansas. That number dropped to 67,000 in 1992. We have witnessed dramatic declines in the number of hog and dairy producers in the state. Since 1983 we have lost nearly 40 percent of our hog producers and over 50 percent of the dairy producers. Our average size of farm has continued to increase and now stands at 713 acres.

While we do not yet have the results for 1992, both gross and net farm income should increase as a result of large corn, milo and soybean crops, and increased fed cattle marketings.

For cattle, we placed nearly 4.3 million head of cattle on feed during the first eleven months of 1992. That was 6 percent more than the same period of 1991. Average prices for fat cattle were nearly \$5 per hundred weight above the same period in 1991.

The number of hogs and pigs totaled 1.44 million head as of December 1st and was 1 percent more than the number on hand from a year ago.

In dairy production, we produced 1.25 billion pounds of milk in 1992, 1 percent above 1991.

The sheep inventory was 11 percent below the previous year and the number of sheep on feed has also dropped 15,000 from a year ago.

Turkey production is rapidly increasing in the state and now contributes over \$6 million to the economy.

*Senate Ag. Co.
Attachment # 1
1-19-93
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In wheat, we produced 364 million bushels with an average yield of 34 bushels per acre. In grain sorghum we averaged 80 bushels an acre, a new record, with a total production of 248 million bushels. With corn, we averaged 143 bushel to the acre, another new record, and had a total production of 243 million bushels, the largest since 1889.

In soybeans, we averaged 35 bushel to the acre, a new record, with total production of 65 million bushels. In hay production, we produced a total of 6.4 million tons and we grew sunflowers on at least 110,000 acres.

The one word that would best characterize the weather for 1992 is the word "extreme." Temperatures were well above average for the first four months of the year, but remained below average for the rest of the year. Average precipitation was generally higher than normal across the state. However, almost every area of the state was struck by a damaging weather event sometime during the year. In different parts of the state we experienced late freezes, dry weather, inland hurricane type storms, hail, excessive rain and later in 1992 blizzard conditions causing heavy cattle losses. In spite of all that, we had record per acre yields in milo, corn and soybeans.

Regarding activities of the Kansas State Board of Agriculture, the Board of Agriculture had a very active year and I had quite a busy year in my sixth year as Secretary at the Kansas State Board of Agriculture. I find it interesting that I am now the senior Ag Secretary in the twelve midwestern states which depend so much on agriculture. Most Secretaries of Agriculture turn over rapidly. Our system of selection of the Secretary of Agriculture has tremendous advantages in allowing the agency to have a continuity of focus, not just jumping from project to project as Secretaries change.

The biggest activity of the year was the designation of the nation's first Pesticide Management Area (PMA) for surface water. The Board set out a mixture of mandatory and voluntary guidelines for the reduction of atrazine in the surface waters above Lake Perry in northeast Kansas. Furthermore, the Board voted to make those guidelines mandatory if in the future concentrations of atrazine are not reduced after a program of testing is instituted.

The process generated much interest and some criticism. The fact is that due to a number of factors in 1992, the PMA and the weather amongst them, the level of atrazine in streams above Lake Perry declined this past year. We will be holding a meeting in the PMA area of the Technical Advisory Committee and presenting the water quality data to date from USGS, KDHE and others at that time.

It's important to note that we do not have enough inspectors to get compliance by everybody on every law. We do need to work with the people that we regulate in order to get compliance. This is true of any regulatory function, be it local, state, national or international.

We worked with task forces to benefit both the state's aquaculture industry and the equine industry. Meetings of the new Pecan Commission began last fall to benefit producers of that southeastern Kansas agricultural product.

We sponsored a summer agricultural issues forum in Kansas City which informed agricultural and agribusiness leaders about the key international trade disputes occurring to date. We were particularly fortunate on the timing and the presenters. We had Ambassador Julius Katz, lead negotiator for the NAFTA as the keynote speaker one week after the NAFTA agreement was announced.

A push which began in this state several years ago continued to grow in strength and national interest. I chaired a National Exposition on Biobased Products and here in the state we saw demonstrations of biodiesel made out of beef tallow or soy oil. These, if successful will help the environment and the Kansas economy. I co-authored the lead chapter in this year's Yearbook of Agriculture on the subject of new uses.

We developed a new marketing program and a logo for non-food Kansas agricultural products. GROWN IN KANSAS is the identification symbol and it can now be used for Christmas trees, house plants and other non food products from Kansas. We have 177 companies registered in this program.

The FROM THE LAND OF KANSAS food product program continues to grow and now has nearly 400 companies participating. This has been an extremely successful program in that currently, nearly one quarter of the food processing jobs in Kansas are from companies registered in the FROM THE LAND OF KANSAS program. Furthermore, in surveying fifty food entrepreneurs in 1988 and again in 1992, we found that on the average they increased their employment by double. There is a great deal of exciting entrepreneurial activity happening across the state in the value-added field. We still have much work to do to grow value-added in Kansas, but we do have good entrepreneurial activity.

We continued to work toward efficient use of agricultural chemicals and development of biological control means when possible. Our inspectors continue to quietly insure the safety of our seeds, feeds, meat, milk, eggs and other products. The Farmer Assistance Counseling and Training Service, FACTS program continued its activities of providing counseling service to farm families in financial distress. We also initiated a Farmlink program providing the means for people who want to retire from farming yet have no one to pass the land to and those who want to enter farming to connect with one another. We are quite excited about that programs and all the programs administered by your State Board of Agriculture.

It was a busy, productive year.

Mr. Chairman, I would be happy to respond to questions.

Daniel G. Amstutz

Biographical Sketch

Dan Amstutz became Executive Director of the International Wheat Council in August 1992. He was elected to the position by the 48 member governments of the Council, all signatories of two treaties: the Wheat Trade Convention and the Food Aid Convention.

Amstutz has nearly forty years' experience, in both the public and the private sectors, in agricultural trade and commodity markets. Immediately prior to joining the Wheat Council he worked as a consultant in these areas of activity (1989-92).

He was the chief U.S. negotiator for agriculture, with the rank of Ambassador, in the Uruguay Round of GATT multilateral trade negotiations (1987-89). Before that he was Under Secretary of Agriculture of the U.S. with responsibilities for international trade, domestic farm programs, and international development (1983-87).

From 1978 to 1983 he was a general partner in the N.Y. investment banking firm, Goldman, Sachs and Company, where he created a commodities business and developed futures markets trading and hedging capabilities for the firm.

Previously, for nearly 25 years, Amstutz was with Cargill, Inc. His last assignment was President and CEO of Cargill Investor Services, Inc., a commodity futures brokerage subsidiary (1972-78). Prior to that he was Cargill's chief merchant for coarse grains (1967-72), senior merchant for wheat (1962-67), and served in grain trading positions in Europe, Canada, and the U.S.

He is a 1954 graduate of the Ohio State University and has been active in Ohio State Alumni and fund-raising activities.

He is single and makes his home in London, the headquarters of the International Wheat Council.