Approved: ________________________
Date

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Eugene Shore at 9:00 a.m. on January 25, 1994 in Room 423-S of the Capitol.

All members were present except: Representative Lawrence - Excused

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

Conferees appearing before the committee: Bill Craven, Kansas Sierra Club, Kansas Natural Resource Council
Ivan Wyatt, Kansas Farmers Union
Rev. Dave Coleman, Kansas Catholic Rural Life

Chairman Shore called the meeting to order and asked committee members to review the minutes of January 18 and 19, 1994. If no corrections are received by 5pm today, they will be considered approved. Also, committee members were given a copy of the fiscal note on **HB 2569** and copies of informational articles on corporate farming and Kansas dairy farms that Chairman Shore provided, attachments #1,#2 and #3.

Chairman Shore asked for any bill introductions. Representative Kejr explained a proposal that would extend the tax exemption on property with a watershed dam from 20 years to the life of the dam, attachment #4. Representative Kejr made a motion to introduce this as a committee bill. Representative Lloyd seconded the motion. The motion carried.

Hearings opened for opponents on **HB 2584**: dairy production facilities allowed in certain counties; county option.

Chairman Shore asked Raney Gilliland, Legislative Research, to briefly discuss the bill. Mr. Gilliland said this bill resulted from interim activities and would allow corporations or limited liability companies to own or lease dairy production facilities in 14 counties. The bill defines dairy production facilities and has a section that permits other counties to vote to allow corporate dairy production facilities. He also pointed out an error in the bill where the 14 counties are listed - "Norton" should be "Morton".

Bill Craven, Kansas Sierra Club and Kansas Natural Resource Council, attachment #5, testified that corporate farming is economically damaging to family farms and the rural economy of many Kansas communities. Kansas is already losing dairy operators, but this bill will not regain those losses. Mr. Craven discussed problems encountered in California and urged legislators to regulate dairies before their arrival and not after the fact. He also expressed his concern about KDHE's ability to handle additional regulatory authority. Mr. Craven also suggested that environmental and community assessments be conducted before any corporate dairy is allowed in the state.

Discussion followed. Mr. Craven answered questions by Representative Freeborn regarding the differences between southwest Kansas and California regarding population density, the water table and flooding.

Representative Gatlin stated we already have regulations regarding confinement livestock facilities and runoff and manure containment and he feels Kansas is reasonably well prepared to handle corporate dairies. He then asked Mr. Craven to define the difference between family farming and corporate farming. Mr. Craven replied that family farms have a different approach; they use less inputs (chemicals), create less pollution and are more diversified and flexible. Referring to an example given by Representative Gatlin about the effects of an unregulated family farm and a regulated corporation, both near a water source, Mr. Craven said that run properly, it is possible to run a large scale operation while minimizing pollution.

Representative Bryant asked if Mr. Craven was opposed to expansion and/or any largescale confinement operations of any kind. Mr. Craven replied the environmental risks would be the same no matter who owns the operation, but the corporate model still has unique characteristics that cause him concern.

Representative Rezac expressed concern about how KDHE will be able to speed up livestock permitting if it is busy permitting dairies.

Chairman Shore gave the example of two large dairies moving into his district that are legal by current law, but if **HB 2584** were in effect, it would have saved them a lot of time and money.

Representative Neufeld, citing the example of three dairies in his district who want to expand, said bankers won't make them a loan because there is no market in Kansas, due to current law, if the farm had to be sold. He said size isn't the issue, capitalization is the issue.

Discussion continued on the different definitions of "corporate farmer" and "family farmer".

Ivan Wyatt, Kansas Farmers Union, attachment #6, said turning to the government or corporations to solve the problem of the decay of rural Kansas communities is not the answer. We can help Kansas by working with current family owned and operated dairies and help them to be profitable and to stay in business. He also expressed concern over "gypsy" corporations coming only for short-term enticements and tax breaks.

Discussion followed on the difference in "providing assistance" and "tax breaks" and on whether there are tax breaks available to corporations that aren't available to family farmers. Representative Lloyd stated you could not offer a tax break to a farming corporation who might potentially come into Kansas without making it also available to a family farmer.

Representative Rezac asked about the situation in Syracuse where people in the community collected money to bring in a dairy. Chairman Shore responded the local people made loans to the dairy people and this helped obtain bank loans. Mr. Wyatt said he still felt the profits from a corporation would leave the community.

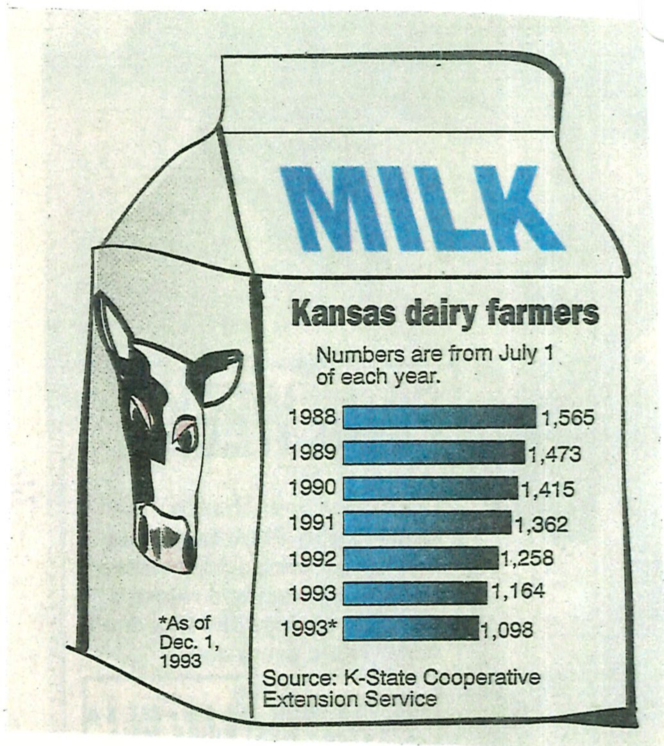
Representative Gatlin, discussing the economics of farming, said it is important to make the distinction between southwest Kansas and areas that are relatively close to an urban center.

Reverend Dave Coleman, Kansas Catholic Rural Life, attachment #7, said this legislation will harm or weaken family farms and small farmers. Also, the effects of corporate farming raises several questions; the environmental impact, how county resources will withstand increased load and use, will the passage of this bill permit corporate farming in other parts of the state and how much harder will small and medium size farmers struggle to survive.

The meeting adjourned at 10:05am. The next meeting is scheduled for January 26, 1994.

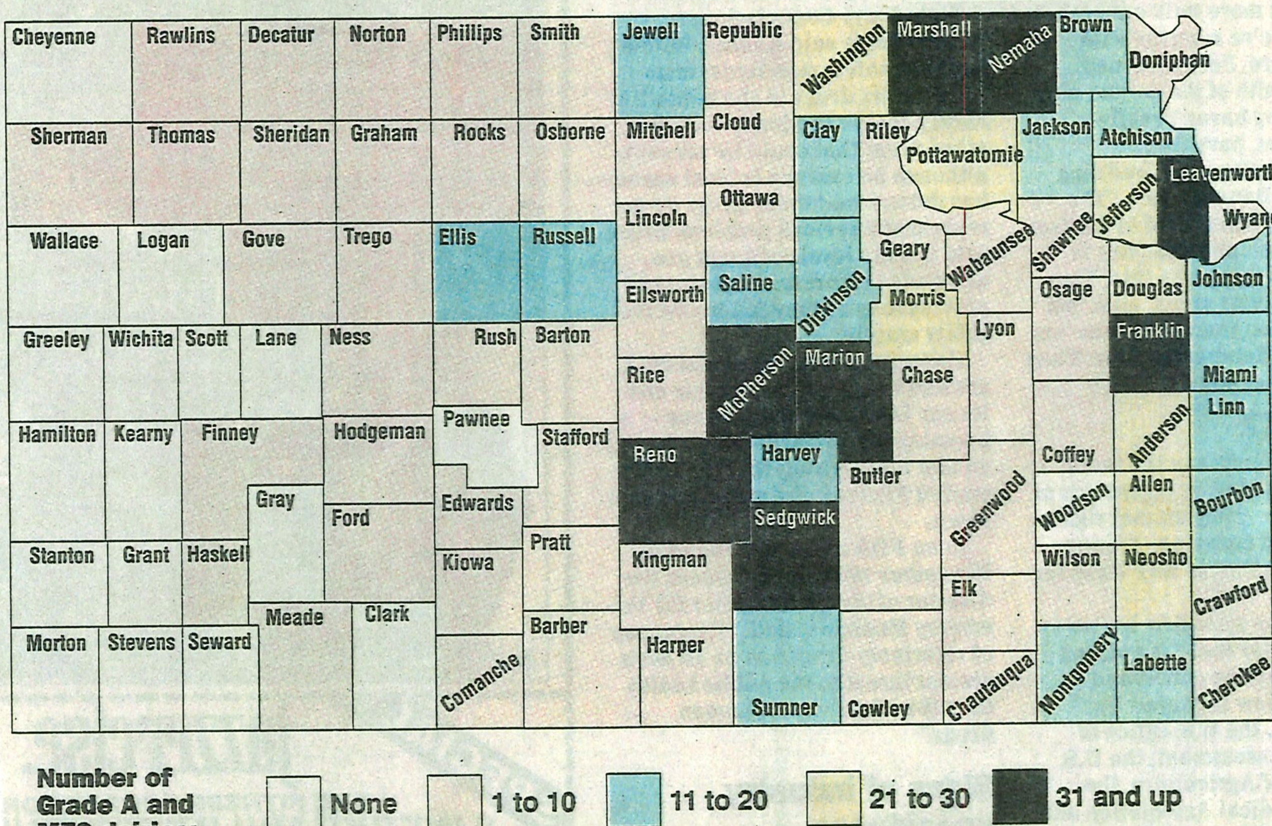
THE CAPITAL-JOURNAL

Sunday, January 23, 1994



Kansas dairy farms by county

1,098 dairies as of Dec. 1, 1993



Source: Kansas Department of Agriculture

— The Capital-Journal

HOUSE AGRICULTURE
1-25-94
Attachment #1

The Wichita Eagle
Established 1872
Incorporating The Wichita Beacon
Reid Ashe, *Publisher*

Davis Merritt, Jr.
Editor
Sheri Dill
Executive Editor
David Awbrey
Editorial Page Editor

EDITORIALS

Piggies

Kansas' corporate farming law hampers state's economic growth

First it was the North American Free Trade Agreement. Next came the General Agreement on Tariffs and Trade. Now the battle for freer markets shifts to Kansas hogs.

In a classic case of economic protectionism, Kansas law bans corporations from raising swine and dairy cattle. The statute is designed to insulate smaller Kansas producers from the rigors of the market.

As usually happens when government tries to control economic trends, the industries the corporate farming law was designed to help have been badly hurt. Although the state, especially Southwest Kansas, has almost ideal conditions to raise hogs, Kansas swine production has dropped dramatically in recent years as other states have kept pace with the new realities of pork producing.

For example, the DeKalb Corp. recently wanted to build a huge swine operation in Southwest Kansas, bringing a big boost to the area's economy. The Kansas corporate farming law blocked that plan, so the company went to Oklahoma, which was delighted to profit at Kansas' expense.

The same situation exists today. The Seabord Corp. of Overland Park plans to build a pork plant in Guymon, Okla. The company would like to contract with Kansas farmers to raise corporate-owned hogs, but it is prevented from doing so by the Kansas law. The law also bars Seabord from establishing breeding and raising facilities in Kansas. Furthermore, Kansas won't allow Seabord and other corporations to own agricultural land, except for feedlots or poultry or rabbit confinement facilities.

This is economic insanity. The pork industry is following the same pattern as the poultry industry in centralizing operations to produce animals that meet current consumer demands. Although some smaller producers will likely lose out, the overall economy benefits from these operations by additional jobs and a higher demand for feed, equipment and other services.

The 1993 Legislature approved amending the state corporate farm law to allow Seabord-type operations, but the legislation was vetoed by Gov. Joan Finney. Administration officials, however, indicate that the governor might sign such a measure this year, given the economic factors at stake.

Experience has repeatedly shown that free enterprise, not government dictate, is the best way to ensure economic prosperity. The state should get out of the hog industry, and enable more little Kansas piggies to go to market.

House Agriculture
1-25-94
Attachment #2

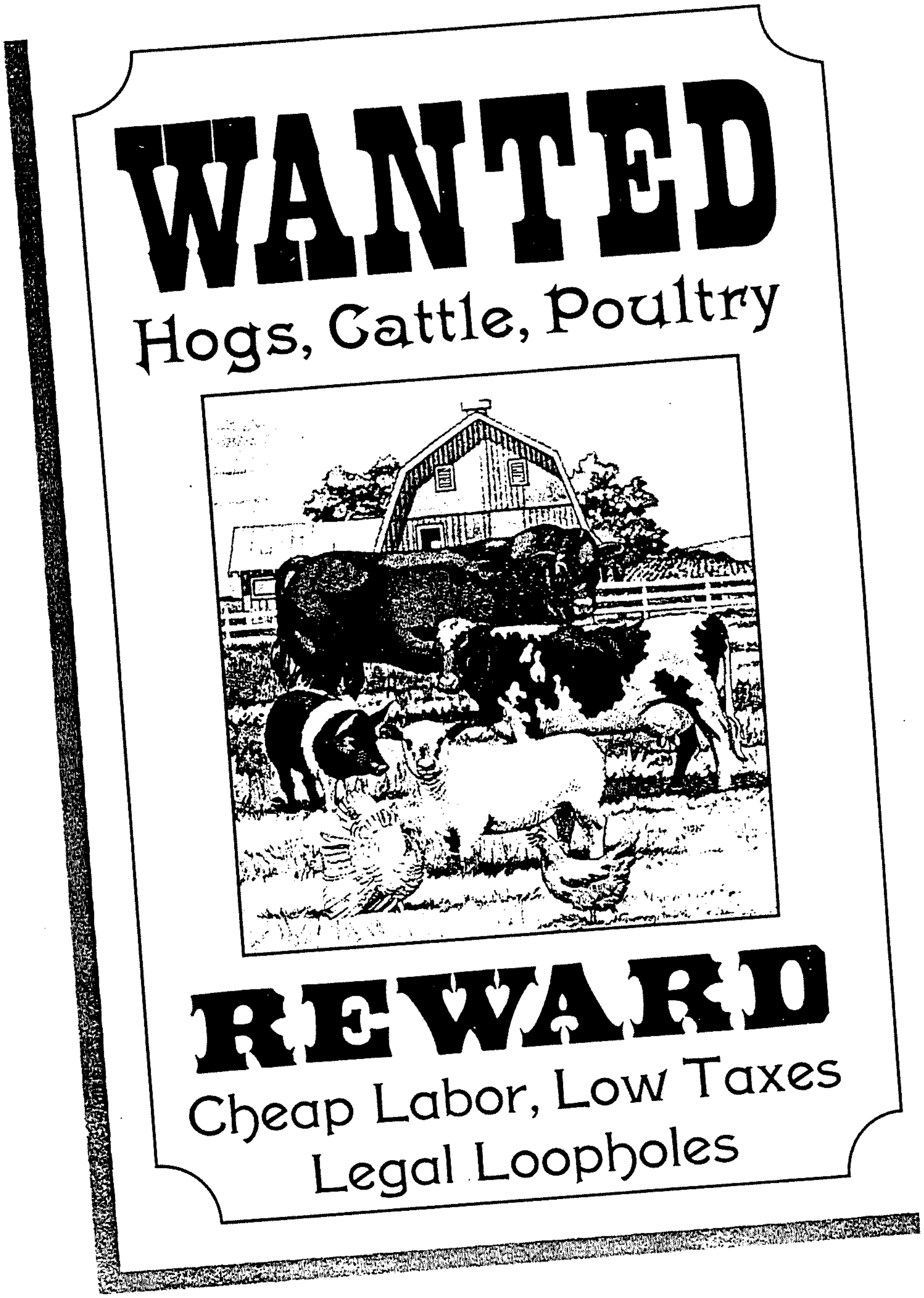


Illustration: Jim Stevenson. Typography: Rick VonHoll

LIVESTOCK-HUNGRY STATES

Some states offer carrots, others turn their backs on livestock expansion within their borders

BY BETSY FREESE and ROD FEE, LIVESTOCK EDITORS

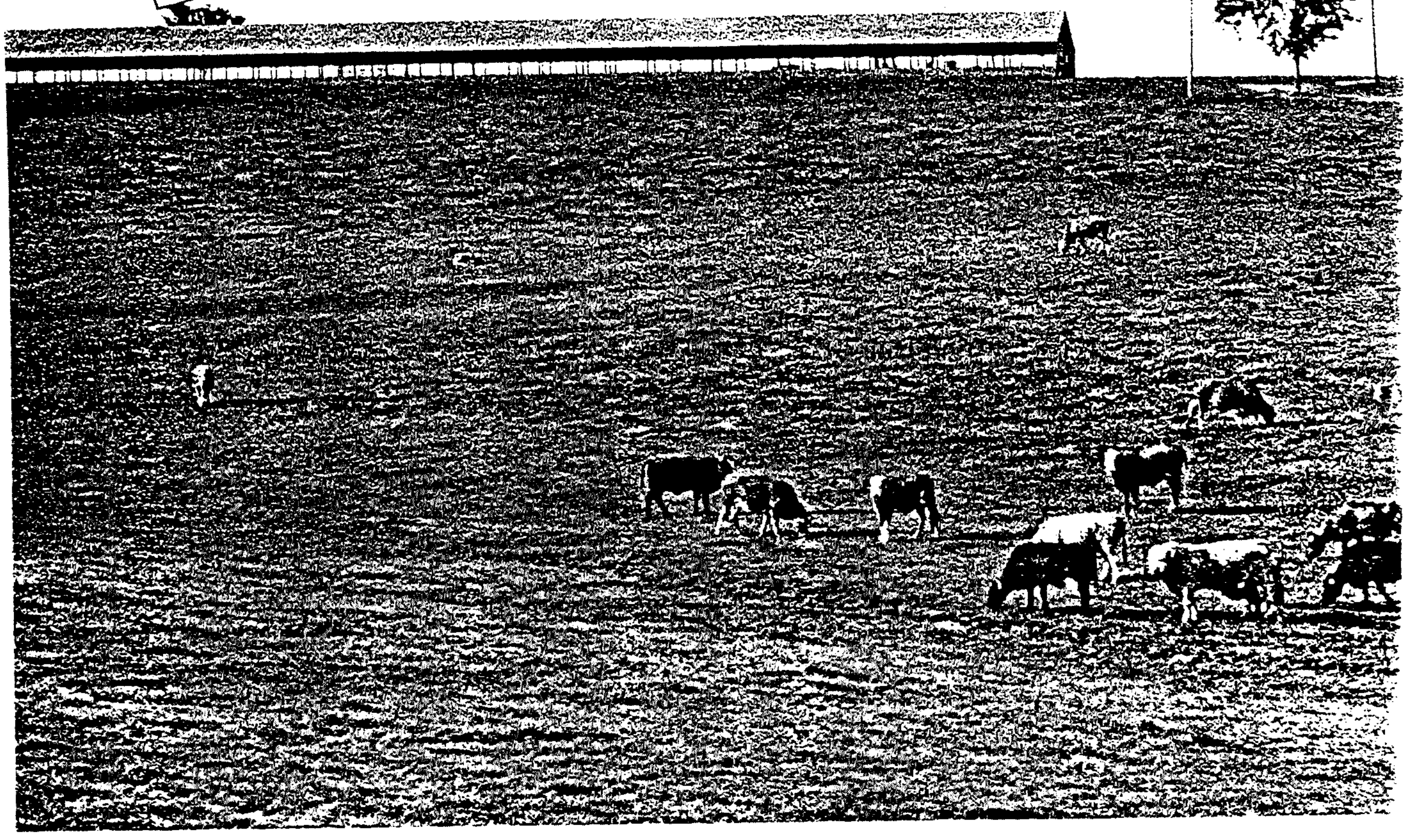
It's like a high stakes poker game. Some states up the ante just to stay in the running for expanded livestock production and its impact on jobs and the regional economy. Other states either boycott the game entirely, or fold their hands when politicians decide the odds have shifted to a neighboring state. In any case, it's usually a winner-takes-all game, and livestock investors either set down their satchel in your state, or move on to look at a bigger pot. The hog business, once firmly rooted in the Midwest, is a good example. North Carolina made its bid in the '80s and won the pot. Now states like Oklahoma, Texas and Missouri are vying for some of that action.

And so it goes as each state plays its hand in the high stakes game to capture livestock's big bucks.

House Agriculture
1-25-94
Attachment #3

IS YOUR STATE LIVESTOCK HUNGRY?

If it needs jobs or money, and doesn't have much livestock already, the welcome mat's probably out



Photograph: Bob Hawks

In an effort to attract the pork industry to West Texas, John McGlone at Texas Tech University hired an economic development specialist for two years (paid with a state grant) to help him sell firms on the area's advantages. Their efforts helped solidify National Farms' decision to settle near Dalhart. A near miss was a Georgia farm that came close to moving 6,000 sows to Texas. "We did everything but hire dancing girls for them, and we would have done that if it would have worked," says McGlone.

This kind of courtship by states is not unusual today. States like Texas, Missouri and Oklahoma have their arms open to livestock expansion, and don't much care if the farms are big, small, corporate, independent or vertically integrated. Other states like Nebraska and Kansas have turned their backs, particularly on the corporates.

"It's clear some states are trying to pursue the livestock industry harder than others," says Drake University ag law professor Neil Hamilton. "The problem is that federal standards aren't something a state can waive. The difference is in the states' enforcement and attitude–how diligently they go about enforcing regulations. Oklahoma is trying to attract livestock by altering their laws. This can leave a ducer vulnerable, because federal standards could cha For example, the EPA could require tougher enforcer or the new Clean Water Act could change the situation.

"Nuisance laws also affect how friendly a state is to stock," says Hamilton. "Nuisance is a state and local q tion." A nuisance to suburban dwellers near Des Mc and a nuisance to farmers in remote rural Oklahoma ma two entirely different things. "Many states are amen their right-to-farm laws to include generally accepte practices," he says.

Neighbors, climate have an effect

"Another aspect of how friendly a state can be fro environmental standpoint is what the environment l like physically," says Hamilton. "Are the farms spreac neighbors close by, water resources there? A drier cli has fewer water quality problems, but less water suppl

"Iowa doesn't have Continental Grain or Pren Standard Farms because its corporate farming laws pr packers from owning hogs. But Iowa environmental

3-2

are less stringent than many neighbors–Minnesota for example–and its enforcement of environment rules on livestock operations is not as aggressive. In Iowa, enforcement is handled on a complaint-only basis."

Other issues are at work in disputes, such as the changing dynamics in both people and livestock concentration, explains Hamilton. These internal conflicts find expression in land use disputes, but there may be a number of other reasons why neighbors are objecting to expansion. In Iowa it's not only city folks involved in conflicts, but existing farm producers who you would think would be sociologically immune to expanding livestock operations.

Struggling states make fervent pitches

"States that are opening their arms and saying 'come on in' are doing it because there's not much livestock there now," says Hamilton. In many cases, it's some of agriculture's most struggling economic pockets that are making the fervent pitches for recruiting new livestock investors.

The livestock business is expanding in unit size and becoming more efficient by involving fewer and fewer people. At the same time it's becoming more mobile with the hotspots of production constantly shifting.

Some states offer livestock enterprise zones in an attempt to isolate livestock production. Others offer tax abatements on new livestock structures or tax incentives for new job creation in an attempt to lure livestock producers.

Environmental constraints seem to pop up in the most unlikely places. Even farmers in sparsely populated areas like Utah worry when the urban push from California begins crowding the wide open spaces.

When the National Pork Producers Council initiated an environmental hotline for farmers last fall (800/705-6270), over 125 calls came in during the first two months. "This is very high response; higher than I expected," says Hamilton, who is coordinating the project.

The notion that livestock will be fed and produced adjacent to grain supplies has become antiquated. Housing costs, available labor supplies, environmental concerns, adjacent markets and any other carrots states can offer have become the new buzz words dictating where tomorrow's livestock will be fed and grown. ☞

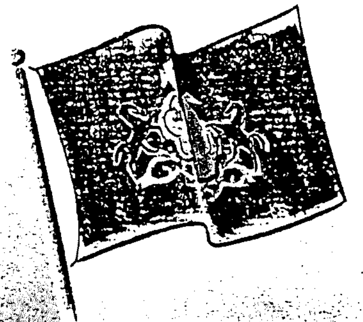
3-3

THE EAST

At first glance, the nation's oldest livestock area–the East Coast–would seem somewhat inhospitable to future growth. After all, people and manure aren't usually compatible. Yet, even with increasing environmental pressures, especially around the Chesapeake Bay region and in eastern North Carolina, growth has been phenomenal. In 1993, North Carolina became the third largest hog state, jumping over Minnesota and Nebraska. And it continues to increase its lead in turkey production as well.

Even an area like Sussex County, Delaware, the nation's largest broiler county with 1,800 birds for every citizen (212 million total) is growing. "Although it does have water restraints, the Delmarva area is growing in broilers," says Larry Witucki, USDA ag economist specializing in poultry. "Perdue Farms is still investing there–they just built a larger feed mill in Delaware. Perdue has a good share of the New York market."

But growth may slow in some Eastern areas, experts predict. "North Carolina is beginning to see a little environmental backlash in the form of nuisance suits," says ag law specialist Neil Hamilton. "You meet a resistance point when livestock concentration gets high."



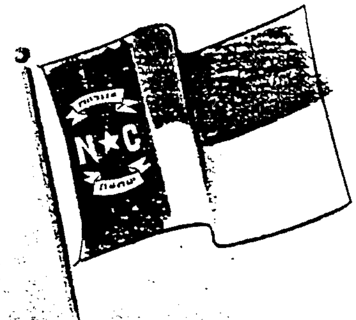
Pennsylvania saturated with diverse mix of livestock and people

●Pa. ranks in the top five states for nine types of livestock. "Our biggest advantage is our closeness to consumers and food processors," says Boyd Wolff, Ag Secretary. "Location is also a disadvantage. We are a grain deficient state with a large population and small land mass."

●1993 Nutrient Management Law requires most livestock farmers to establish a nutrient management plan. This preempts local rules, which have often prevented growth.

●Pa. has a Right-to-Farm Law, Ag Security Areas and a Farmland Preservation Program, which has bought development rights on 36,000 acres–second in the nation.

●No corporate farming laws; vertical integration is OK.



Waste, odor controls get stricter, but North Carolina still growing

●Recent bills in the North Carolina legislature tightened waste and odor standards, while others tried to impose hefty set-back standards for livestock farms.

●"North Carolina is still livestock friendly, although there is increasing legal activity," says Murphy Farms' Randy Stoecker. "For a time, this state had more new livestock construction in six counties than the rest of the nation combined. You can't do that without some debate."

●There are no restrictions on corporate ownership of land in North Carolina.

●Banks in N.C. are extremely friendly to livestock. "Our growth in swine and poultry speaks for itself, says Ag Commissioner James Graham

Photograph: Mike Boyall

Jennings Humphreys, son Jay (right) and grandson Jayson are independent hog farmers in N.C.

Still room to grow in North Carolina

As environmentalists in North Carolina gear up to slow the rapid growth of livestock expansion in the state, both giant farms and family operations alike don't seem too concerned. The Humphreys of Burgaw (pictured at left) recently expanded from 480 to 1,000 sows. Further east, Janie and Charles Gaskins of Greenville are growing from 400 to 1,200 sows. Their farm is in compliance with the latest waste regulations, says Charles, and he wishes enforcement wasn't delayed until 1997.

"The state says it will shut the doors on non-compliers. We'll se if that happens."

At Murphy Farms, the nation's largest hog producer, new laws mean more paperwork, but few changes in management. Laws upping set-back distance for far would slow growth the most. ■

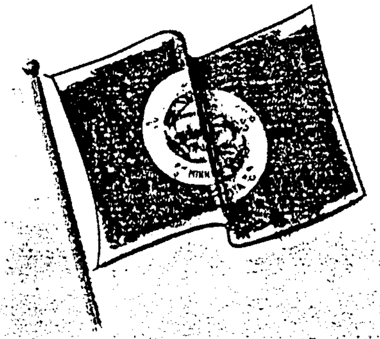
3-4

THE UPPER MIDWEST

Taxes and neighbors keep more growth out than legislation

Wisconsin farmer Howard Richards has this question for his governor, Tommy Thompson: "Tell me what it is about farmers that makes us six times as obligated to pay for schools as other people?" Richards has hit on one reason much livestock expansion is taking place outside the Midwest. Besides stiffer taxes, stricter environmental and corporate farming laws and higher building costs certainly play key roles.

But perhaps the biggest reason some Midwestern states have lost out on growth is a mindset. "Frustration with the changing dynamics in livestock concentration leads to land use disputes among farmers," says Iowa ag law professor Neil Hamilton. "Odor may not be the real reason they don't want a neighbor expanding."



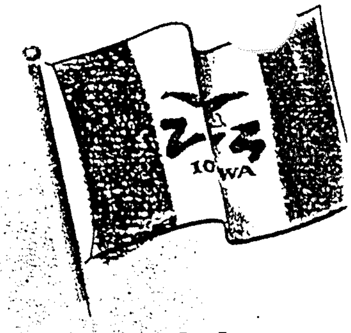
Minnesota has the toughest environmental laws in the Midwest, but still thrives

●Minnesota's feedlot regulations are extensive:
1. Without a permit, no feedlot or manure unit may be built (permits are placed on public notice for 15 days).
2. Vehicles transporting manure must be leakproof.
3. Manure for fertilizer may not be stored over one year, and must not be applied at rates exceeding crop needs.
4. All earthen basins must have liners.

●Minnesota has air quality standards for odor, although fertilizer is exempt if used properly.

●Counties often set their own standards, with strict set-back requirements for livestock.

●The state provides nuisance suit protection if a farm has been in operation six years, not expanded, and not operated negligently. Farms over 1,000 hogs are not covered.



The laws in Iowa are friendly to livestock growth; the people often are not

●Iowa's reputation for being unfriendly to livestock expan sion has little to do with its laws, says ag law expert Ne Hamilton. "Iowa environmen laws are less stringent than many states, and enforceme is not aggressive—on a complaint-only basis."

●In Iowa, it's often other far ers, not city folks, in conflict with livestock expansion.

●Permits to build or expanc are required under certain c cumstances. The state may conduct an inspection to de mine if a permit is required.

●Owner must be notified of state inspection on an air q ity complaint.

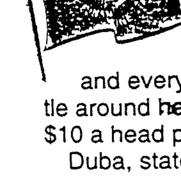
●Iowa has guidelines for manure applications, but th are not mandatory.

●Ag Areas have been crea to protect farming operatio

Photograph: Mitch Kezar

Duane Duba (far left) wants to see the livestock industry in South Dakota grow so his son David, daughter-in-law Elaine and grandsons Dennis (11), Daniel (8), William (4) and Tanner (2) can stay farming. The Dubas raise 2,500 hogs a year and farm 800 acres near Ethan.

South Dakota wan in on growth



Duane Duba glances arou his Ethan, S Dakota, far used to be every farm had and every farmer fed 100 tle around here." he says. "W $10 a head profit, it didn't wo Duba, state pork producer

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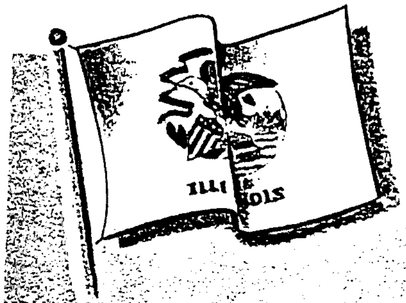
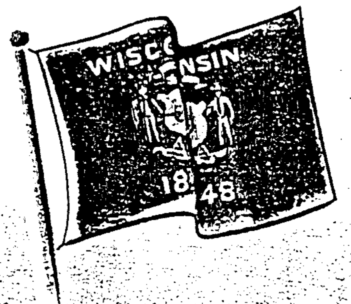


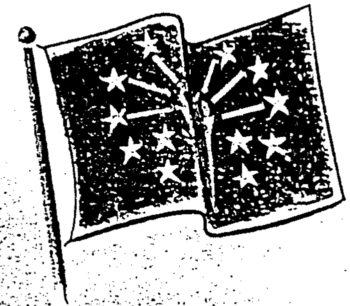
Odor control will be the toughest issue facing Illinois livestock producers

- Recent Illinois laws have focused on odor, mainly on hog operations. "Adequate odor control methods and technology shall be practiced by operators of new and existing livestock facilities and livestock waste-handling facilities so as not to cause air pollution," reads one law.
- Illinois regulates livestock waste management, and requires permits for operating large livestock farms. The state may enter a farm at any time to inspect and investigate possible violations.
- As an incentive for livestock producers to construct waste storage structures, the state has a tax program which reduces property taxes for pollution control improvements.
- Farm Nuisance Suit Act says a farm in operation one year and unchanged since neighbor arrived can't be a nuisance.



High taxes plague Wisconsin livestock operations; dairy farmers getting out

- Columbia County farmer Howard Richards: "One of the biggest factors persuading Wisconsin farmers not to invest in improving their farms is local property tax. A farmer borrowing $120,000 to build a milking parlor pays $200 a month in debt tax for education. Wisconsin farmers pay 27% of their net farm income in property tax, of which 75% is for education. This tax abuse should end or there won't be many young farmers."
- Income stress and two straight years of forage problems helped Wisconsin lose 103,000 cows (about 3,000 herds) from 1992 to 1993.
- Wisconsin began losing milk share in 1991, says USDA economist Jim Miller. "There aren't enough farmers expanding to make up for ones getting out. It was inevitable that California would become the nation's leading milk producer.



Indiana requires detailed information on farm before giving permit to construct

- Indiana's "Confined Feeding Control Law" says no one may construct a feeding operation (300 or more cattle, 600 swine or sheep or 30,000 fowl) without a permit. To obtain the permit, you must provide detailed information on location, waste treatment, topography of land, soil type, location of streams and neighbors, and more.
- In 1984, Indiana adopted the Uniform Conservation Easement Act to preserve the natural, scenic value of property, assure use for ag and protect natural resources.
- Unlike some other states, Indiana does not prohibit local zoning authorities from developing ag land.
- In 1981, Indiana adopted a Right-to-Farm statute declaring it "the policy of the state to conserve, protect and encourage the development and improvement of its ag land."

ident in 1993, still feeds a few cattle, but considers the pork industry key to South Dakota's livestock future. The first challenge is keeping packers like Morrell in Sioux Falls. Late governor George Mickelson was working on livestock issues when he was killed.

"We have three big pluses in South Dakota," says Duba. "We raise a lot of our own grain, we use hog waste as a fertilizer for our crops, and we have skilled labor that provide lots of TLC."

Since 1965, the number of farms in South Dakota has dropped from 52,000 to 35,000, while farm size has risen from 877 to 1,263 acres. Environmental laws and zoning closed down some feedlots, but guidelines were developed in 1992 to avoid misunderstandings and litigation.

The attitude of farmers and feeders in the state is evenly divided on corporate farming, says Governor Walter Miller. "The greatest opposition is to massive corporations which operate at a loss to drive prices down and costs up in an effort to force smaller operators out of business."

South Dakota has the advantage of no personal property tax, says Miller, and the financing climate is "much improved over the '80s," although still just "fair" for livestock growth. "On a scale of 1 to 10, it would rate a bit above 5. There is room for improvement. We want a climate where the livestock industry can thrive." ■

3-6

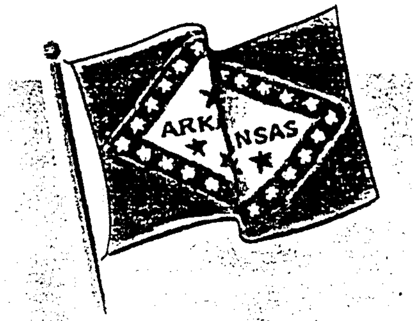
THE MID-PLAINS

Attitudes here are mixed with varying opinions on corporate agriculture

The major factors drawing expanded livestock production to these Plains states are the natural advantages of terrain, wide open spaces and the diminished problems of environmental concerns due to the relatively sparse population of people.

But . . . it's a two-edged sword. More stringent land use laws and environmental issues, particularly in the more western public lands, make them less and less friendly to expanded cow-calf production.

Arkansas and Oklahoma have been the most aggressive recruiters of expanded livestock to their states. Expansion there has been in giant steps, in many cases by corporate livestock and poultry concerns. Nebraska and Kansas have for the most part turned their backs to some of the corporates, opting to encourage expansion from independents and their own established family farm units.



Arkansas has built fowl and feathers to the point that one job in 12 is poultry related

- The state kicked in $10 million of the $20 million needed to build a Poultry Center of Excellence designed as the premier site for applied poultry research and technology.
- The state has taken a hands-off approach to corporate farming, a move friendly to broiler producers.
- Arkansas Act 529 allows corporations who process livestock or poultry completely within the state's borders a major investment credit–up to 50% reduction in sales and use taxes and $2,000 credit per job created.
- The state, using federal ASCS funds, has plunked millions into cost-sharing (up to 75%) for lagoons and dead bird disposal for growers.
- Nitrogen fertilizer availability has improved pasture carrying capacity, bringing more beef cows to northwest Arkansas.

Oklahoma has molded state policy in order tc bring in new hog and poultry units

- Oklahoma in 1991 clarified some of the grey areas in its legislation surrounding corporate farming, particularly as it applied to swine, and gave corporate firms the green ligh
- Recent changes in the permitting process of CAFO (Confined Animal Feeding Operations) units in Oklahom has placed regulations back under Region 6 of the federa government's EPA. It grantec blanket approval to existing units, new units may take six months for approval.
- Contract feeding of swine and poultry, a big part of the growth, allowed some family farms to survive where they may not have otherwise.
- Aggressive efforts were made in Guymon, populatior 8,000, to attract Seaboard pork plant. State sales tax funds were used to garner $ million to bring estimated tw million more hogs by 1995.

Photograph: Bob Hawks

John Spain, War Eagle, Arkansas, has been active in Arkansas politics and says turkeys (and/or broilers) and the cattle business are synergetic. His 42,000 turkeys and 150 Salers momma cows are proof.

Where poultry goe: cows will follow

With the rapid expansion of th broiler and turkey units in north western Arkansas has come a slight problem . . . what to do w the litter. But when nature gave farmers in this area lemons (or this case, poultry litter) they tur it into lemonade.

They turned poultry litter fror liability into an asset. The litter

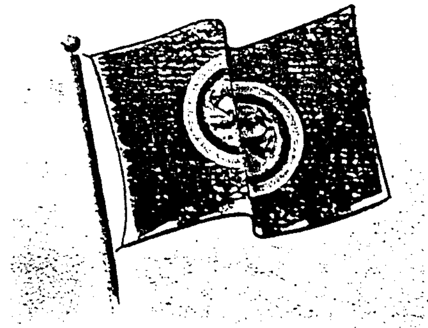
Kansas politics has sided with family farms turning a cold shoulder to corporate giants

- Kansas Governor Joan Finney vetoed Senate Bill 336, which would have given corporate hog and dairy operations the go-ahead. She said, "Any proposal to open Kansas to corporate hog and dairy farming must first be embraced by this generation of family farmers before I, as Governor of Kansas, would concur."

- With better than 6.2 million head of cattle kill capacity and just over 4.2 million cattle produced, the state is wide open for expanded feedlot growth.

- A drier climate (less than 16" annual rainfall) is conducive to cattle feeding and cuts the 25-year, 24-hour storm runoff investment requirements needed for feedlots.

- With 3 million acres in the state in the CRP program, this is a political football. The future of this program could play a giant role in the future of the Kansas cattle business.



Nebraska generates $4.6 billion a year in livestock sales, 65% of state's total ag sales

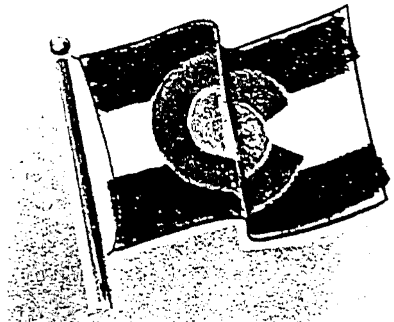
- Initiative 300 passed by Nebraska voters 10 years ago excludes corporate farming. It has survived several appeals. Contract feeding for slaughter by family farmers is okay.

- The Nebraska Right-to-Farm Act passed in 1991 protects existing farms or feedlots from public or private nuisance suits based on prior use before land use laws.

- Nebraska does treat breeding livestock as taxable personal property at depreciated value. Feedlot inventory is exempt from property taxes.

- Nebraska Dept. of Ag has cultivated worldwide leads for sales of breeding stock, semen, embryos and a niche market for Nebraska beef.

- Feedlots and hog confinements need state discharge permits for potential runoff. Wastes spread through irrigation require local permits.



Colorado's cattle expansion may be more threatened by federal than state regulation

- Colorado cattlemen are most concerned over possible escalating public grazing fees and their effect on profitability for '94 and beyond. An even bigger issue is taking land management away from the 30% of ranchers that depend on public grazing to operate.

- Wide open spaces theory has seen hog numbers double in the last seven years, mostly in northeastern region, but number of hog producers has declined by 48%.

- Colorado does not have anti-corporate farming legislation on the books.

- County government under current law dictates land use and subdivision regulations on less than 35-acre parcels.

- Endangered species legislation, recreational land use and private property rights top the list of concerns of cattlemen when thinking expansion.

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from a typical four broiler or turkey house operation, because of its high nitrogen content, will adequately fertilize nearly 200 acres of fescue or Bermuda grass.

Instead of selling it to cleanout crews at a couple bucks a ton, they utilize the fertilizer, worth $30 a ton. The 600 tons from this size unit could cut fertilizer costs $18,000 a year.

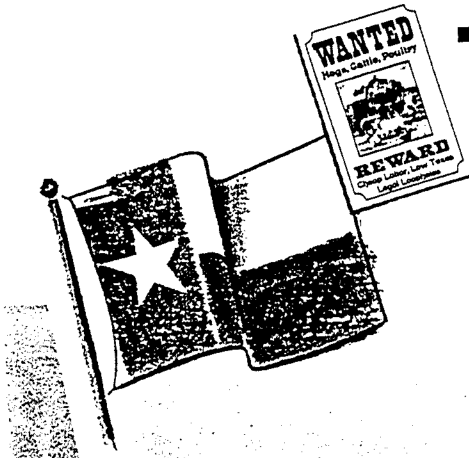
Shortly after the poultry started showing up, the cattle business started to boom. Today, Benton County, Arkansas, has one of the highest beef cow populations in the country. John Spain works the turkey-cattle combination to the max. In addition to utilizing turkey litter on pastures, he also practices rotational intensive grazing.

Last year his pastures were divided into nine paddocks of 2-15 acres. Practicing a rotation of 80 cow-calf units per paddock for four days, he was able to nearly double the area average carrying capacity in cows per acre.

A retired Air Force pilot who served as personal pilot for three vice presidents, John is an intense environmentalist. The SCS monitors the stream above and below John's farm to check for nitrates. He has installed grass filter strips and sediment control dams to discourage runoff and regularly checks his own water supply. By recycling litter onto pastures, through grass and beef, he's improved both the environment and his farm profits. ■

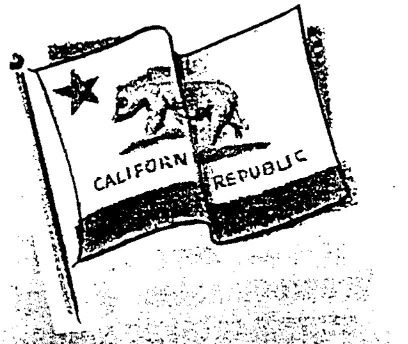
3-8

THE WEST



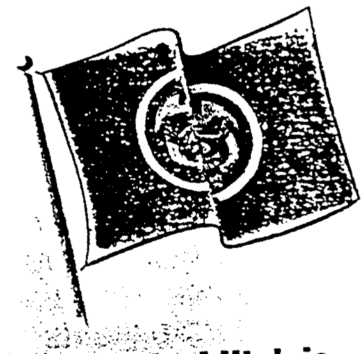
Texas hires economic development specialist to bring livestock to the state

- Texans accept expanding livestock production.
- Many local communities in West Texas have money to lure in companies.
- Cheap land, a 300-foot filter between the surface and water table, a dry climate and wide open spaces are pluses for livestock expansion.
- Labor is cheap, but usually unskilled. Farms can train new labor the way they want.
- NAFTA may be big boost for livestock processing plants as proximity to Mexican export market is an advantage.
- National Farms and others are putting Texas hog numbers on the move.



California passes Wisconsin as top fluid milk producer in the country

- Because of the exploding West Coast population, California has substantive environmental restrictions affecting agriculture, none of which have slowed size growth of expanding dairies.
- California has not enacted corporate farming laws.
- State taxes are high but Williamson Act protects farmland by assessing real estate taxes based on ag value.
- High state minimum wage and workmen's comp adds disproportionately to cost of producing milk within state.
- Predominate nationality or ethnic grouping of enterprises produces geographic clustering of livestock units.



Surprise! Utah is on the move with livestock producers and processors

- Transportation advantages to California, the Pacific rim for exports and the onset of NAFTA, the CanMex corridor, are significant to Utah.
- The Utah legislature has established economically depressed enterprise zones with tax credits to firms relocating there. Recent venture between Smithfield Foods (processor), Murphy Farms, Carroll's Foods and Prestage Farms took advantage of this to locate what they project to be 2 million hogs in the state.
- With two-thirds of state owned by U. S. government, land use is concern. Already 20% of grazing permits go unclaimed and 2X or 3X hike in fees could seriously impac cattle and sheep income.

Photograph: Jay Graham

Cornell Kasbergen, California family farm dairyman, milks 2,100 cows with the help of 22 employees.

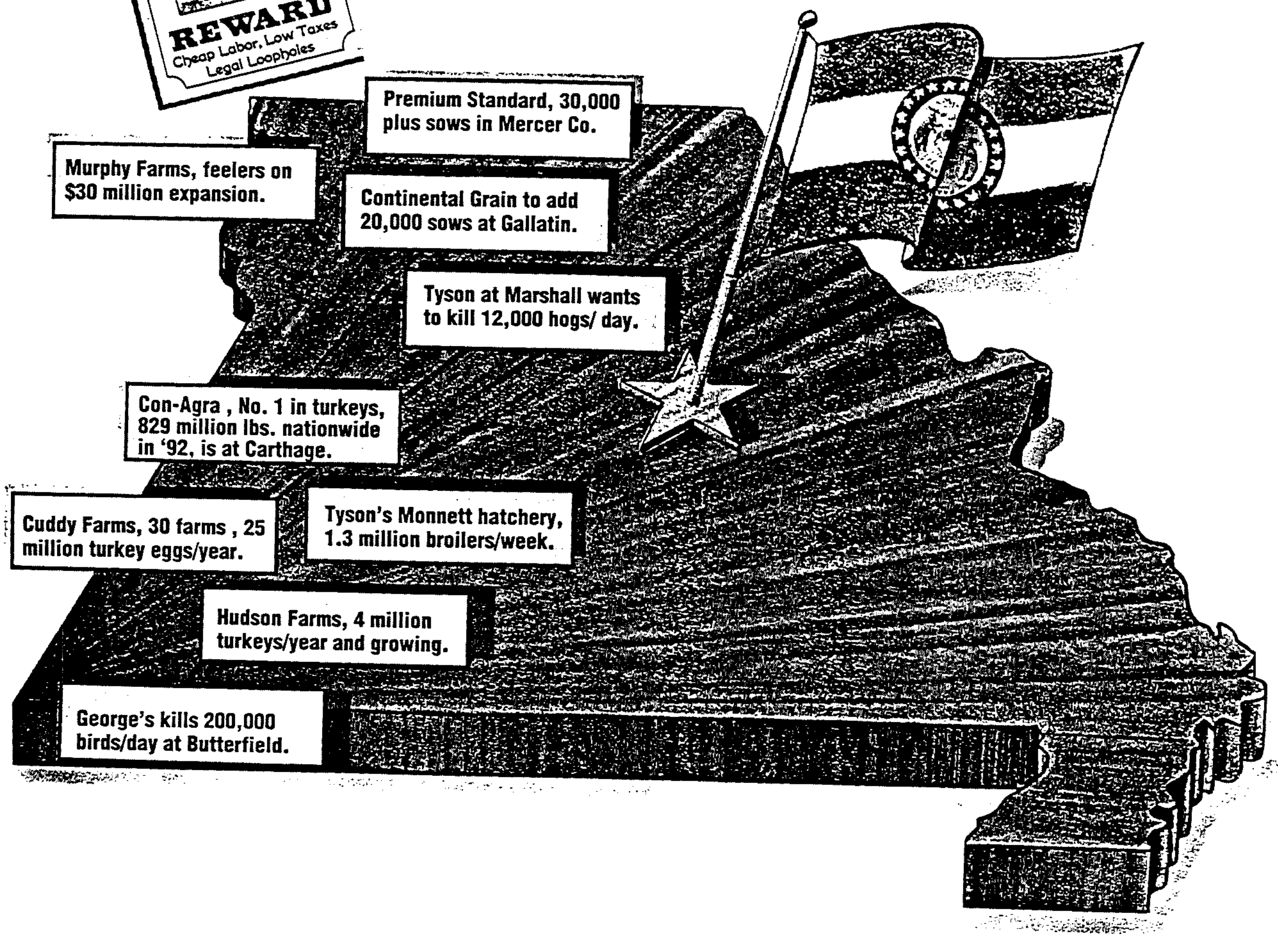
California takes giant step in dairying

Call it bragging rights or what have you, but for the months of August and September in 1993, California fluid milk production actually topped Wisconsin . . . a milestone the Badger state never thought would happen.

While California milk prices are certainly no better, the long-term growth trend comes from their advantages in lower cost input and the economies of scale. A milder climate, lower building c highly specialized labor force t makes milking cows a career. and the utilization of facilities sometimes around the clock a other reasons California has b friendly to dairy expansion.

Experts say urban pressure will slow growth. Already this happening as southern Califo is exporting dairy farmers to a like Texas, Arizona and Idahc

MISSOURI COURTS THE BIGGIES



Photograph: Bob Cunningham. Illustration: Tom Ramsell

Missouri is regrouping. In an all-out rush to regain livestock income, they've courted the majors–Premium Standard Farms, Continental Grain, Tyson and Murphy Farms. When these biggies announce informational meetings on planned expansion, they play to a full house, some are the opportunists who see contracting as a chance to grow, some are opponents, some are just curious. If you believe the politicians, in the northwest area, they hope to add $500 million to the economy in jobs and income.

To counter nay-sayers and level the playing field between the corporates and independents, the Missouri Director of Agriculture will appoint a Farm Family Task Force to protect the interests of family farms. In addition, Missourians hope to introduce legislation shortly for the state to guarantee loans for expansion of independent livestock farms. A new department at the University of Missouri has been established to further the commercialization of agriculture and disseminate new technology.

Politicians, chambers of commerce and rural development agencies have all been in on the act. They've rolled out the welcome mat when they found farms interested in relocating. Successes (map above) are hog firms in the north, and poultry in the south.

Chance for young farmers

Scott Cloud worked 10 years in ag banking, evaluating loan applications from farmers. He sees the corporate approach as opportunity. He pur-

Scott Cloud, Wentworth, Missouri, says it'll take 10 years to amortize his investment in turkey facilities.

chased an 80-acre farm and built buildings 3 years ago to raise 10,000 turkey breeders a year. Contracting will allow him and wife Roxanne to pay off labor, land, buildings and their farm home in 10 years, and a chance to get established farming that otherwise would not have existed. ☞

Laws and Regulations Affecting Livestock Production

State	Environment	Taxes	Zoning	Corporate Farming Restrictions	Worker's Comp	Farmland Preservation/ Right-to-Farm	Other
✔ Arkansas	Regulations govern handling and disposal of waste	Assessed based on productivity or use	Little interest at local level in zoning	No provisions found	Ag farm labor exempt; no provisions to waive exemption	Ag processing and distribution facilities protected	Little success in challenging operations as nuisances
✔ California	Comprehensive water quality control act	Income-based taxation and preferential assessment	May be affected by existence of ag preserves	Allows co-ops and non-profit corp. marketing organizations	Compulsory coverage; no exemptions	Right-to-Farm law requires farm in existence 3 years	Ag preserves may be created
✔ Colorado	Confined feeding operations regulated	Ag and livestock production exempt from property tax	Local zoning may occur	No prohibitions found	Workers comp or insurance required for all farm operators	Substantial farm growth not protected under Right-to-Farm	Air emission permits required for hog farms
✔ Illinois	New laws focus on odor nuisance	Reduced property taxes for pollution improvements	Zoning may be for ag purposes	Ag Land Ownership Act applies	Compulsory; some exemptions for farm labor	Has Ag Areas Conservation, Protection Act	Nuisance Suit Act gives some protection to farms
✔ Indiana	Has Confined Feeding Control Law	Has ag advisory council for evaluation of land	No law prohibits developing ag land	No restrictions found	Exempt; employers may waive exemption	Has Right-to-Farm law, no farmland preservation	Conservation Easement Act helps preserve ag land
✔ Iowa	Enforcement on complaint-only basis	5-year tax exemption for owner-operated cattle feedlots	Laws limit local governments from developing ag land	Corporate farming law limits vertical integration	Exempt; employers may waive exemption	Ag Areas have been created	Iowa farmers fight vertical integration and bigness
✔ Kansas	Permit required for most feedlots	Some exemptions for ag products and equipment	Operations are subject to zoning	Production contracts not limited by corporate farming law	Exempt; employers may waive exemption	Protection through Right-to-Farm law	Regulations control siting of operations
✔ Minnesota	State and local regulations are extensive	Protects farmers from taxes based on non-ag use value	Ag use zoning prohibits non-farm dwellings	Has corporate farming law	Compulsory; exempts persons employed by family farms	Has plan for ag land preservation	Has limited nuisance protection
✔ Missouri	Construction and operation permits required	Preferential taxes for ag property	Not specifically used to protect farmland or operations	Passed a weak 1993 law with county exemptions	Exempt; employers may waive exemption	1990 revisions enhanced Right-to-Farm protection	Some farm growth protected under Right-to-Farm law
✔ Nebraska	Waste control is the main focus of laws	Allows preferential tax for ag land	Used to protect ag uses	Constitution prevents corporate ownership	Exempt; employers may waive exemption	Conservation, preservation allowed by easement	Best Mgt. Practices used to maintain water quality
✔ North Carolina	Laws becoming more restrictive	Construction materials exempt from sales tax	Farms exempt from county zoning ordinances	No restrictions on corporate ownership of land	Labor laws treat farms like business	Has Right-to-Farm law and voluntary ag districts	Favorable financing climate for growth
✔ Oklahoma	Coverage is under EPA General Permit	Broad exemptions from taxation	Zoning laws exempt farms	Restrictions strong, but contain farm exemptions	Compulsory; may be exempt based on wages	Right-to-Farm laws based on management practices	EPA outlines Best Mgt Practices (BMPs)
✔ Pennsylvania	Farmers need nutrient management plan	Family farm corps. exempt from some corporate taxes	No restrictions on zoning	No corporate farming law; vertical integration OK	Farm labor exempt from minimum wage and overtime	Has Right-to-Farm and Farmland Preservation	Has First-Time Farmer program
✔ South Dakota	Laws haven't limited growth	Some taxes high; but no personal property taxes	County controls zoning regulations	No corporate farming law, although it's debated	Labor laws not limiting to growth	Passed Right-to-Farm law in 1992, but no rules to enforce	Bankers still cautious about livestock
✔ Texas	Coverage is under EPA General Permit	Ag use value is based on capacity to produce	Commercial ag purposes not protected from zoning	No restrictions found	Compulsory on migrant and seasonal help or $25,000 payroll	Comprehensive Right-to-Farm law	EPA General Permit outlines BMPs for livestock
✔ Utah	Has Pollution Discharge Elimination System	Exemption for land in ag use and farm machinery	Control is with counties	No prohibitions found	Compulsory if employ for over 5 weeks at 40 hours/week	Protects operations in existence 3 years	Conservation easements used to protect farmland
✔ Wisconsin	Many non-point source water quality laws	Local property taxes are often high	May have areas zoned for exclusive ag use	Restricts certain activities; requires divestiture	Compulsory; may cover if employ 6+ weeks for 20 days/year	Types of nuisance action remedies are restricted	Financial help for water pollution abatement

MEMBERS COPY

HOUSE BILL NO. ____

By Representative Kejr

AN ACT relating to property taxation; concerning the term of exemption of certain property contiguous to dams and reservoirs; amending K.S.A. 79-201g and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 79-201g is hereby amended to read as follows: 79-201g. The following described property, to the extent herein specified, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

(a) All real property which is contiguous to and a part of the same tract of land upon which a dam or reservoir has been constructed and certified by the chief engineer of the division of water resources in compliance with requirements and specifications prescribed by K.S.A. 82a-405 et seq., and amendments thereto, in an amount equal to the increase in the value of such real estate resulting from the construction of such dam or reservoir and in addition thereto an amount computed according to the following schedule:

First ten acre-feet of storage capacity	$100 per acre-foot
Next five acre-feet of storage capacity	300 per acre-foot
Next five acre-feet of storage capacity	200 per acre-foot
Next five acre-feet of storage capacity	100 per acre-foot
Remaining acre-feet of storage capacity	50 per acre-foot

The total amount of the exemption for any single tract of land shall not exceed ~~five-thousand-dollars--($5,000)~~ $5,000 or ~~forty--percent--(40%)~~ 40% of the assessed value thereof whichever is the lesser. No exemption shall be granted hereunder unless the landowner shall apply to the chief engineer of the division of water resources for certification of any dam or reservoir within one year after actual completion thereof. Such exemption shall be

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applicable to such property for ~~a-period-of-ten-(10)--years~~ each taxable year that such dam or reservoir is maintained in a condition satisfactory to the chief engineer after the original certification of the dam or reservoir; and

(b) All real property which is contiguous to and a part of the same tract of land upon which a dam or reservoir has been constructed and certified by the chief engineer of the division of water resources in compliance with requirements and specifications prescribed by K.S.A. 82a-405 et seq., and amendments thereto, the owner of which at the time of such certification donated to the state or to any of its agencies or subdivisions land or easements or right-of-way for such erection or maintenance of such dam or reservoir in an amount equal to twice the assessed value of the land or easements or right-of-way donated. Such exemption shall be based upon a specific description of the land donated, excluding any land the elevation of which is higher than the top of the dam, as prepared and provided by the chief engineer and the assessed value thereof, as determined by the county ~~assessor~~ appraiser, for the year in which the exemption is first granted. No exemption shall be granted hereunder unless the landowner shall apply to the chief engineer of the division of water resources for certification of such dam or reservoir and a description of the land donated within five ~~(5)~~ years after actual completion of the dam or reservoir or within two ~~(2)~~ years after such land is listed for taxation if such land was exempt from taxation under the laws of the state of Kansas at the time of the completion of the dam or reservoir whichever is later. Such exemption shall be applicable to such property for ~~a-period-of--twenty--(20)--years--after--the original--certification--of--such--dam--or-reservoir-by-the-chief engineer-except-that--if--the--landowner--shall--apply--for--such exemption--more-than-two-(2)-years-after-the-actual-completion-of the-dam-or-reservoir-such-exemption-shall-be-applicable--to--such property--for-a-period-of-twenty-(20)-years-after-the-date-of-the actual-completion-of-the-dam-or-reservoir~~ each taxable year that

<u>such dam or reservoir is maintained in a condition satisfactory to the chief engineer after the original certification of the dam or reservoir</u>.

The provisions of this section shall apply to all taxable years commencing after December 31, 1974.

Sec. 2. K.S.A. 79-201g is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

SIERRA CLUB

Kansas Chapter

Testimony on Corporate Dairy Bill
William J. Craven, Legislative Coordinator
Kansas Sierra Club and
Kansas Natural Resource Council
January 25, 1994
House Agriculture Committee

Thank you, Mr. Chairman, and members of the committee for providing the 4,000 members of the Kansas Sierra Club and the Kansas Natural Resource Council to voice again their opposition to yet another proposed change in the Kansas corporate farming law.

I'm sure many of you recall my testimony last year on the corporate hog bill. My main contentions were that corporate farming is economically damaging to family farms and the rural economy of many Kansas communities, leads to greater economic concentration in an industry which is already controlled by too few, and, without adequate safeguards, leads to irreversible environmental damage. I also pointed out that corporate farming, by definition, is not sustainable agriculture, and that family farms are far better suited to diversification, economic efficiencies, and environmental protection. Those same points are equally true in the context of corporate dairy operations.

H.B. 2584 is disguised as a county option bill. But in reality, the southwest Kansas counties--and Norton County--listed in section 15 of the bill don't have any options. Under this bill, corporate dairy operations would be legalized in those counties.

If dairy operations are so well-received in those counties, than one wonders why, according to last Sunday's Capital-Journal, it was stated that in eight of those 14 counties, there are no dairy operations at all? In the others, the paper reported that there are fewer than 10 dairies operating in each of those counties. Could it possibly be that this bill is just a concession to some large corporate dairies that are looking for a new area to exploit?

I want to make it clear that the Sierra Club and KNRC is aware that Kansas unfortunately has lost about 500 dairy operators--about one-third of the state's total--in just the last 5 years. Unfortunately, that trend exists in other agricultural specialties as well. Those losses can't be regained by this proposal. Instead, this bill would virtually

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guarantee further losses in the number of family farmers, including those involved in dairy production in Kansas.

The environmental effects of large confined livestock operations are obvious and well-known. Based on telephone calls with California dairy regulators, it isn't unusual for dairy operations there to contain from 500-1000 cows, and there are several larger ones with the maximum size being about 5,000 head. In one area in California, near Chino, there is a 10-square mile area with nothing in it but dairies. This is in an area where 2 million people live. In California, dairies are regulated in terms of manure removal and wastewater containment.

In these telephone calls, I learned that in California dairies weren't regulated until after the fact of their arrival. The point was made that Kansas should not make that mistake. As this bill is considered, there should be minimum field disposal areas for waste built into the bill, or else authority to promulgate those regulations should be given to the Kansas Department of Health and Environment. Massive confined livestock operations generate huge amounts of manure. In California, most dairies have no pasture land for grazing. In Kansas, if this bill is to become law, there should also be requirements for how many animals can be kept per acre.

In the Southern California area I mentioned, the state also requires dairies to protect against a 25-year flood, in order to protect groundwater and surface waters which are used as drinking water supplies. Despite these regulations, waters in the area already are showing high levels of total dissolved solids. There is also a concern about nitrate contamination of public water supplies.

Corporate dairy farming will stress KDHE's abilities to regulate confined livestock operations, efforts which are already subject to criticism. This regulatory effort now receives about $22,000 of its $440,000 operating budget from fees. That is a paltry percentage compared to the fees other businesses pay for permits in this state, and the legislature or the department should re-consider the funding for this program prior to allowing even more permit applications to swamp the agency.

The risk of water pollution from confined feedlot operations is not mythical. Only 7 percent of Kansas rivers and streams fully support their designated uses, and feedlots and animal wastes contribute to the use impairment of more than 11,000 miles of Kansas streams and rivers. Water quality across the state is often impaired by fecal coliform, sediment, and nitrates. Fecal coliform is strongly linked to confined livestock operations, and the other two can be, depending on the situation.

In California, the regulators told me that near Riverside and San Bernadino, 9 million acre-feet of groundwater was contaminated by dairy runoff. Huge amounts of money have been spent to import water and expensive treatment plants now treat that water at a cost of between $300 and $350 an acre-foot.

The corporate culture of corporate dairies is also suspect. The California regulators with whom I spoke said not to be deceived by promises of high-paying jobs. In California, I was told, dairies employ a lot of cheap labor, and many workers live on the dairy's premises.

The other thing I learned is that the California dairies' search for a new home is often followed by states' passing strict regulations. I was told, for example, that Arizona passed laws even stricter than California's, and that New Mexico is working on it. The message from California is to get these regulations in place prior to letting corporate dairy operations move here.

Among the things that should be required is an environmental and community assessment conducted by KDHE, and paid for by the applicant, before any corporate dairy production is allowed in this state. There should be an opportunity for public comment and even public hearings at both the state and the county level. That is a true county option. Also, the legislation should spell out in detail exactly what factors should be looked at. At a minimum, these would be the quality of the jobs created, the benefits provided, the supply of water and energy, odor control, wastewater management, manure supply and control, and measures for enforcing these regulations. It might also be wise to require large confined livestock operations to have certain insurance limits in case environmental remediation of water supplies is required.

This issue is one in which the Sierra Club hopes the legislature reaches conclusions which support family farmers and the environment. Family farmers are generally better stewards of their land and water resources than faceless corporations who owe no allegiance to rural communities.

Thank you for considering the Sierra Club's views on this important issue.

STATEMENT
OF
IVAN W. WYATT, PRESIDENT

KANSAS FARMERS UNION

ON

HOUSE BILL 2584

(CORPORATE DAIRY BILL)

BEFORE

THE HOUSE COMMITTEE ON AGRICULTURE

JANUARY 25, 1994

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I AM IVAN WYATT, PRESIDENT OF THE KANSAS FARMERS UNION.

HERE WE ARE AGAIN LOOKING TO SOME MYSTICAL CORPORATION FOR A SOLUTION TO OUR PROBLEMS. IT REMINDS ME OF THE CROWD I SEE ON TELEVISION IN LOS ANGELES. I DON'T BE-LITTLE THE SERIOUSNESS OF THEIR PLIGHT, BUT IT IS AMAZING TO SEE ALL THESE PEOPLE FLOCKING AROUND GOVERNMENT PERSONNEL EXPECTING AN INSTANT SOLUTION TO THEIR PROBLEMS.

WHY IS IT WE ARE ALWAYS ASKING FOR SOMEONE ELSE, A CORPORATION, OR A GOVERNMENT TO INSTANTLY SOLVE OUR PROBLEMS? IN THIS CASE, THE DECAY OF RURAL KANSAS AND ITS COMMUNITIES.

PERHAPS IT IS BECAUSE OUR SO-CALLED EXPERTS IN HIGHER EDUCATION, OUR TAXPAYER FUNDED ECONOMISTS, CONTINUALLY TELL US THIS DECAY IS "INEVITABLE". WE CAN'T HELP OURSELVES. WE HAVE TO LOOK TO BIG CORPORATIONS, BIG GOVERNMENT TO SOLVE OUR PROBLEMS.

THEY WOULD HAVE US BELIEVE THE PEOPLE OF RURAL COMMUNITIES, THE PEOPLE OF KANSAS, ARE INCAPABLE OF HELPING THEMSELVES. SO WHAT DO WE DO? DO WE HELP OURSELVES BY WORKING WITH OUR HUNDREDS OF PRESENT DAY FAMILY-OWNED AND OPERATED DAIRIES ACROSS THE STATE TO BE PROFITABLE, TO STAY IN BUSINESS, OR DO WE PROVIDE GOVERNMENTAL FINANCIAL ENTICEMENTS TO FOREIGN GYPSY CORPORATIONS THAT BOUNCE FROM STATE TO STATE, LOOKING FOR THESE ENTICEMENTS, WHO WILL PROBABLY IN A FEW YEARS BE IN MEXICO.

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IF YOU TALK TO DAIRY PRODUCERS, THEY WILL TELL YOU THE CORPORATE DAIRY INDUSTRY IS EXPANDING INTO THE MILDER CLIMATES TO THE SOUTH (NEW MEXICO, ARIZONA) BECAUSE COWS WILL PRODUCE MILK MORE ECONOMICALLY THERE THAN IN KANSAS. WHY THEN WOULD THEY BE WANTING TO COME TO KANSAS? PERHAPS SHORT TERM ENTICEMENTS AND TAX BREAKS?

IF AND WHEN THE POLITICAL CLIMATE STABILIZES IN MEXICO WITH ITS CHEAP LABOR, MILD CLIMATE, MORE LAX ENVIRONMENTAL ENFORCEMENT, ETC., AND NAFTA, WON'T THESE GYPSY CORPORATE DAIRIES JOIN CORPORATE BEEF, CORPORATE HOGS, AND HEAD SOUTH IF THERE ISN'T A CLOSE TIE TO THE COMMUNITY STRUCTURE?

OH GLOOM AND DESPAIR, ALL THE BAD THINGS IN KANSAS ARE "INEVITABLE". BUT WAIT! HAVE OUR DOOM AND GLOOM EXPERTS AND ECONOMISTS EVER HEARD OF "BRAUM'S OR STEFFAN'S? WHAT ARE THEY, JUST A COUPLE OF LITTLE LOCAL DAIRIES THAT WOULD NEVER AMOUNT TO ANYTHING? JUST FOLKS THAT BUILT A DAIRY WITHIN THE LOCAL COMMUNITY, PROBABLY USED THEIR LOCAL BANKER, INVESTED THEIR PROFITS IN THE STATE, AND TODAY ARE A BIG CONTRIBUTOR TO THE STATE'S ECONOMY.

HOW MANY POTENTIAL BRAUM'S OR STEFFAN'S ARE THERE OUT ACROSS KANSAS TODAY THAT MAY NEVER HAPPEN BECAUSE WE IGNORE THEM, AND INSTEAD AS THE CROWDS IN LOS ANGELES FLOCK TO THE GYPSY CORPORATION ENTICING THEM WITH MONETARY ENTICEMENTS TO PROVIDE AN INSTANT SOLUTION TO OUR PROBLEMS.

LET ME EXPLORE A COUPLE OF SCENARIOS WITH YOU. IN BOTH CASES THE GOAL IS TO BUILD AND ENCOURAGE A VIABLE, LIVEABLE COMMUNITY OR STATE.

IN ONE SCENARIO WE, THE GOVERNMENT, ASSIST IN ESTABLISHING A LARGE AREA OF CORPORATE DEVELOPMENT, PROVIDING THOUSANDS OF JOBS, WITH MANY FAMILIES DEPENDING ON THOSE JOBS, LOTS OF ACTIVITY, RAW MATERIALS COMING IN, PROCESSING, MANUFACTURING GOING ON, PRODUCTS MOVING OUT TO THE MARKETS, HUGE AMOUNTS OF DOLLARS BEING GENERATED, REAL ECONOMIC

AC... .TY.

SECOND SCENARIO, AN AREA SIMILAR IN SIZE, HUNDREDS IF NOT THOUSANDS OF FAMILY OPERATED FARMS, DAIRIES, POULTRY, EGG PRODUCTION, ETC.

THE AVERAGE AGE OF THE FARMERS ARE APPROXIMATELY 40 YEARS OF AGE. THE TOWNS AND COMMUNITIES ARE BUSTLING WITH ACTIVITY AS ARE THEIR CHURCHES AND SCHOOLS. DOWNTOWN BUSINESSES THAT ARE NOT BOARDED UP, BUT ARE INSTEAD BUSY WITH FARM CUSTOMERS THAT LIVE IN WELL KEPT MODEST HOMES, THAT MAINTAIN THEIR OUT-BUILDINGS, INCLUDING NUMEROUS LARGE BARNS.

IF KANSAS WANTS TO BUILD A VIABLE ECONOMIC RURAL COMMUNITY, WHICH WOULD WE PREFER THEN.

BOTH OF THESE PLACES EXIST. ONE IS THE MEXICAN MAQUILADORA, THE OTHER A LARGE FARMING AREA IN THE NORTHEAST.

I'M SURE THERE IS A DIFFERENCE IN OPINION WHICH WAY KANSAS SHOULD LOOK. THERE ARE THOSE WHO WOULD LOOK TO THE BIG CORPORATIONS FOR THEIR SOLUTION TO OUR "INEVITABLE" DEMISE OF RURAL KANSAS. BUT, THERE ARE THOSE WHO WOULD LOOK TO A FUTURE THAT IS NOT A "FAIRY DREAM", BUT IS IN FACT A REALITY THAT CAN BE THE GOAL OF THE PEOPLE AND THEIR GOVERNMENT.

KANSAS STATE UNIVERSITY PRESIDENT JON WEFALD RECENTLY STATED, "HISTORY IS NOT IRREVERSIBLE AND WE CAN MAKE A DIFFERENCE. COMMUNITIES DO NOT HAVE TO FADE INTO OBLIVION, BUT THEY MUST AGGRESSIVELY SEIZE CONTROL OVER THEIR OWN DESTINY.

LARRY LEISTRIZ, AN ECONOMIC PROFESSOR AT THE UNIVERSITY OF NORTH DAKOTA, STATED THAT THE PLAINS STATES NEEDED TO CREATE THESE TYPES OF BUSINESSES TO CAPITALIZE ON FARM PRODUCTION. THERE ARE NUMEROUS OTHER SIMILAR CO-OPS SPRINGING UP IN NORTH DAKOTA. WHY? BECAUSE THE STATE OF NORTH DAKOTA AND THEIR AG COMMISSIONER ARE PROVIDING ASSISTANCE TO THEIR AGRICULTURAL PRODUCERS AND RURAL COMMUNITIES TO DEVELOP THESE COMMUNITY

CO- , INSTEAD OF SIMPLY GIVING BIG DOLLAR HANDOUTS AND TAX BREAKS TO FOREIGN TRANS-NATIONAL CORPORATIONS TO EXPLOIT THEIR AGRICULTURAL RESOURCES AND PEOPLE.

HOW DIFFERENT THE NORTH DAKOTA ECONOMICS PROFESSOR SOUNDS COMPARED TO SOME ECONOMISTS AND FARM LEADERS IN KANSAS, WHOSE ONLY SIMPLISTIC ANSWER IS THAT IT IS "INEVITABLE" THAT BIG CORPORATIONS WILL HAVE TO RUN EVERYTHING FOR THE RURAL POPULATIONS OF KANSAS.

IN CONCLUSION, A FEW WORDS FROM KANSAS INC.'S "A KANSAS VISION" PLANNING FOR ECONOMIC DEVELOPMENT COMMUNITIES. "DON'T LOOK FOR QUICK FIXES, OR ONE OR TWO INITIATIVES THAT WILL SAVE YOUR COMMUNITY. "THE OLD WAY" OF DOING ECONOMIC DEVELOPMENT IS OBSOLETE, AND DON'T MESS WITH FOOT LOOSE COMPANIES THAT ARE PRONE TO RELOCATE."

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, WE OF THE KANSAS FARMERS UNION OPPOSE HOUSE BILL 2584. WE ACCEPT THE CHALLENGE OF THE FUTURE. WE WOULD APPRECIATE THE OPPORTUNITY OF WORKING WITH YOU.

THANK YOU.

Testimony In Opposition To House Bill ~~#5284~~ 2584

To House Committee on Agriculture

My name is Dave Coleman, a catholic priest representing the Diocese of Kansas City in Kansas. My office represents catholic people in 23 N. E. Kansas counties. I realize that while this proposed piece of legislation does not directly affect people in my area. The Rural Life Office, has a past record of opposing policies, and legislation which will, we believe, will harm or weaken the family farm and the small farmers in the state.

Because of that background, I feel compelled to make the following statement.

This particular bill raises questions, and issues that deserve answers, before we go any further. One such question, why have these big dairy farms chosen an area which has never been known as an area where the dairy business can exist. One has to wonder what will the impact of such large farms do to the surrounding area?

While there are many enviormental questions to be raised, there are other people here who can provide ansers. I wonder whether the resources of the 11 counties mentioned will be able to withstand the increased load and use. My sense of things tells me that the type of farms proposed will use up lots of water, and resources which are becoming more and more precious. Effective stewardship of our resources should be considered as a high priority.

A further point is that is bills such as this one are allowed to pass, permitting corporate farming in one part of the state, will other areas be open to the same possibility? If so, the samll to medium farmers, will struggle even more to survive, and the playing field some already feel is tilted would tilt further into the hands of larger, corporate farms.

If this would be the case then issues such as sustainability, fair prices and market accessibility will come into play, resulting in more and more farmers being squeezed out of business.

If we paid any attention to the sometimes bitter and long debate over the North American Free Trade Agreement, then we heard from many people and organizations that we are in danger of allowing big business to run our world. The debate said that the individual has fear from the power and influence these corporations have over our resources and people's lives. It is now legal for corporations to move south of the border to western Mexico and use water from California. Any legislation must take into account the quality of life of the people involved.

I feel we need to take the long view. A quick profit should not replace sound judgement for the future.

I recently heard of a story in the state of North Carolina, which has pretty liberal notion of corporate farms, has just spent a $185,000.00 to study why the state smelled so bad...it does not take a genius to figure out the reason for the smell.

HOUSE AGRICULTURE
1-25-94
Attachment #7