

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Eugene Shore at 9:00 a.m. on February 1, 1994 in Room 423-S of the Capitol.

All members were present except: Representative Lawrence - Excused
Representative Swall - Excused
Representative Vickrey - Excused

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

Conferees appearing before the committee: Gary Reser, Legislative Liaison, Governor's Office
Robert Gottschalk, General Manager, The Kansas State Fair
Representative George Dean

Chairman Shore called the meeting to order and asked committee members to note two handouts; an article on New Mexico dairying that had been referred to by Mr. Lyle Butler when he testified in support of HB 2584, attachment #1 and written testimony submitted by Jean Barbee, Travel Industry Association of Kansas in support of the bill to be heard today, HB 2773, attachment #2.

Hearings opened on HB 2773: Reestablishing the State Fair Board as the Kansas State Fair Board.

Gary Reser, Legislative Liaison, Governor's Office, attachment #3, commended the committee for recognizing the need to establish continuity for the State Fair Board and stated the Governor feels a permanent procedure needs to be in place to insure that sound management of the annual Kansas State Fair will continue. HB 2773 provides for a seven member board and would rest ultimate control for the Kansas State Fair with the Governor while providing balance among agriculture, economic development and education interests. The seven members would be: 1. Secretary of Agriculture, 2. Secretary of Commerce and Housing, 3. Commissioner of Education or Designee, 4. KSU Director of Extension Service, 5. Kansas Chamber of Commerce and Industry, 6. Travel Industry Association of Kansas and 7. Kansas Fairs Association.

Discussion followed. Several committee members expressed concern about whether the proposed board would be representative of diverse interests statewide, why Kansas Technology Enterprise Corporation (KTEC) and Kansas Livestock Association (KLA) were not represented on the board, how accessible will the proposed board members be compared to the grassroots, lay members that have served in the past and why change the make-up of the board if there has not been any question about current management and attendance has not dwindled. Also, the composition of the proposed board does not seem to stress agriculture. The fair historically has centered around the agriculture community, although it was pointed out that it has become more commercial. Mr. Reser responded that the Governor feels it does represent diverse interests, agriculture included, but reminded the committee that the fair is for everyone. KTEC is not on the list because it is viewed as too narrow in scope and was replaced by the Secretary of Commerce and Housing. The KLA is not on the board in an effort to keep the number of board members small and manageable and the proposed board will provide a clear line of authority back to the Governor.

Robert Gottschalk, General Manager, The Kansas State Fair, attachment #4, requested the following changes to HB 2773: KTEC and KLA have representation on the board, add "or a person designated by the secretary" to line 19, page 1 and add "or a person designated by the director" on line 20, page 2.

Chairman Shore asked why the crop side of agriculture was not represented and for Mr. Gottschalk to outline his duties as General Manager. Mr. Gottschalk responded that there had to be a line drawn somewhere when deciding how many board members there should be and it was felt the KLA could cover the crop side, but he was not opposed to adding a representative from that area. In describing his duties, he said they were similar to fair managers across the county and included managing the budget, use of facilities and non-fair events. He

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE, Room 423-S Statehouse, at 9:00 a.m. on February 1, 1994.

described the fair education program, "Kansas Largest Classroom", which has continued to increase in numbers and targets future patrons of the fair. The board generally meets four times a year and uses the committee process to accomplish its work. Board members spend ten days at the fair serving in a liaison position to exhibitors, concessionaires, etc.

Responding to Representative Kejr's question about the previous board, Mr. Gottschalk said it was comprised of sixteen members and that had not been a problem. Some committee members expressed concern over how all the work would get done with only seven members and would they be able to spend ten days at the fair.

Representative George Dean, who served as the KTEC representative under the old board said he feels KTEC should be on the new board and clarified that when asked to present recommendations to the Governor, the remaining State Fair Board members were limited as to the size of the board, at the Governor's request.

The meeting adjourned at 10:00am. The next meeting is scheduled for February 2, 1994.

New Mexico



S.E. New Mexico Rolls Out The Red Carpet For Dairying

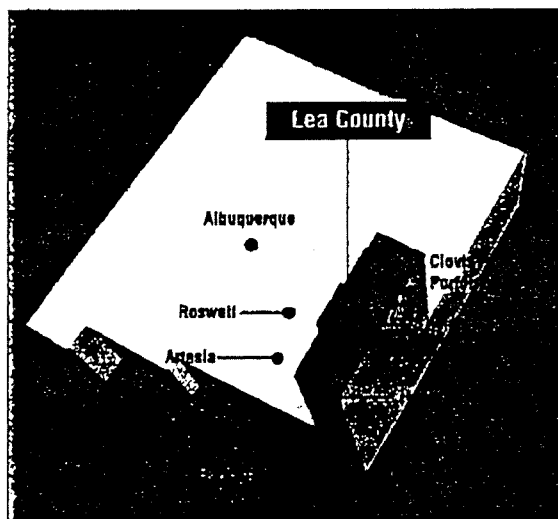
By Linda L. Leake

In recent years dairy producers have blazed new trails to New Mexico in astounding numbers. The Land of Enchantment has become the fastest growing dairy state in the country, and the most significant influxes are occurring in the southeastern counties of Chaves, Curry, Lea, and Roosevelt. Most transplants come from California. Chino in particular.

New Mexico now leads the country in milk productivity, with an average of 20,394 pounds per cow. The state's milk cow population recently topped 94,000 on just 120 farms — an average of nearly 800 cows per dairy.

"This is a wonderful area to produce milk," says Buster Goff, an independent producer. He has been in business at his Hobbs location for 20 years. His is one of the smaller dairies in the state, with just 120 registered Holsteins. His wife, Beverly, manages their milk bottling plant.

"The climate is mild and dry, which means less stress on cows, less disease, and greater longevity," Goff explains. He says land is plentiful and prices are attractive in



New Mexico...less than \$800 per acre on average, and less than \$500 in some areas.

"We also have a wonderful banking industry here. They're totally supportive," Goff adds. "Another plus for us is John Smith, Extension dairy specialist at New Mexico State University."

Goff, who is situated two miles from the Texas border, notes that southeastern

New Mexico is starting to draw dairy-men from the Lone Star State because of less stringent environmental regulations.

"We're thorough in New Mexico, but we're not fanatics," Goff says of his state's waste control regulations. "There are no rivers or natural waters here on the eastern plains, so we don't have to worry [as much] about pollution," he added.

Goff is a veritable walking Chamber of Commerce and he's doing more than his share to attract new dairy neighbors to southeastern New Mexico. In the last three years he has built five dairy facilities in Lea County for lease or purchase. Capacities range from 800-1,600 cows. He plans to build two to three more dairies this year. "A 1,600-cow dairy brings a lot of money to an area," he points out.

For starters, he mentions that most dairies purchase their feed from local farmers who specialize in crop production. "When you do a good job taking care of

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Attachment #1

NEW MEXICO

Lea County . . .

(continued from page 47)

1,000 cows or more, you don't have time to raise feed. We leave that to professionals," he states. The primary commodities grown in the area are alfalfa, corn, milo and cotton. Feedstuffs are plentiful and competitively priced, according to Goff.

He says most New Mexico dairymen sell all of their calves within 24 hours of birth. There are already some big operations that specialize in steer and heifer rearing, but there is room for more. "We have a deficiency in New Mexico. Many heifers go to slaughter, so we go north for springers. We should be much closer than we are to meeting our own needs for heifers," he says.

The demand for other support services is on the upswing in the region. John DaSilveira, a California-based stanchion manufacturer, is in the process of establishing a plant in Lovington to supply the growing market.

"We think Lovington is an ideal location," says Malinda DaSilveira, John's wife and partner. "We will be able to service our growing Lea County clientele, and we will be more centrally located in relation to our other customers throughout the country. The people in Lea County have been very friendly and helpful," she adds.

Since John is also a dairy building contractor, the DaSilveiras have noticed the lack of them in Lea County. "There is a need for more good contractors to build new dairy facilities and remodel old ones," Malinda notes.

Dairyman Bob Hills, a Chino, California, transplant, says a drawback to the area is that many dairy services are not yet available in the region. Lea County in particular. "We don't have many local bovine vets, so we do our own herd health work. And a number of us still use banks, accountants and nutrition consultants in California. We would utilize local support services if they were available," he says.

"The major limit we have is a place to market our milk," Goff adds. "We have 100,000 acres of farmable land that's not in use because we don't have a market for our products."

Associated Milk Producers, Inc. (AMPI), the nation's largest dairy cooperative, has marketing agreements with 125

producers in New Mexico. AMPI sells the milk to private fluid processors in Albuquerque and Clovis, New Mexico; El Paso, Texas; and several plants in the Texas panhandle. Last year it also shipped up to 45 tankers of milk per week to Mexico, according to Jim Carroll, Southern Region Manager.

In June of 1992 AMPI opened a barrel cheese plant in Roswell, which is already near its 1.8 million pounds of milk per day capacity. In September of 1992, AMPI put a ceiling on memberships in New Mexico.

"We have to create room to get our Roswell plant on line. Then we'll evaluate what makes sense in the future with regard to using the milk in this state," says Carroll.

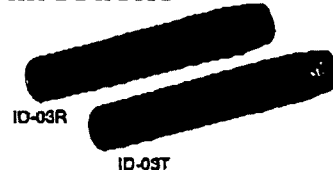
Mid-American Dairymen, Inc. (Mid-AM) has signed up 22 new producers in New Mexico since mid-1992. The majority of those dairies are still under construction, so they aren't shipping milk as yet. The Springfield Missouri-based cooperative currently trucks its New Mexico milk to manufacturing plants in the midwest. However, a new Mid-Am plant with capacity to handle 2.0 million pounds of milk per day is scheduled to open by early fall of this year in Portales, according to Bill Blakeslee, Vice President of Marketing and Planning for the co-op. They will separate whole milk and ship the condensed solids to a mozzarella cheese plant in Nebraska or a cheddar plant in Arkansas. Future expansion plans at the Portales location include a cheese manufacturing plant.

Goff mentions that Southern Milk and National Farmers Organization (NFO) have recently signed up New Mexico dairies as members. "I'm really optimistic that milk plants will relocate here because they want to be near production," he says.

Southeastern New Mexico's booming dairy industry is no longer the best kept secret in the West. The folks out there are getting the word out, and their enthusiasm seems to be contagious!

Linda L. Leuke is a freelance writer living in Wilmington, North Carolina. A Wisconsin native, she specializes in the dairy industry and is a frequent contributor to several national agricultural publications.

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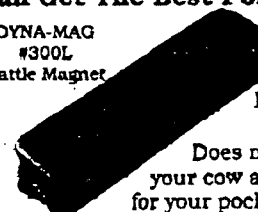
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MEMO

DATE: February 1, 1994
TO: Members of the House Agricultural Committee
FROM: Jean Barbee, Executive Director
RE: House Bill 2773, Re-establishing the State Fair Board

The Travel Industry Association of Kansas (TIAK) supports HB-2773, the Governor's recommendation for reorganization of the Kansas State Fair Board. In the past TIAK has maintained a member on that Board as a representative of the Travel Industry Association of Kansas. Under the Governor's recommendation, TIAK would retain that representation, by the Governor's appointment of a nomination made by TIAK.

On other boards and commissions, such as the Kansas Tourism Commission, the appointments are made in the same manner -- the three nominees are submitted to the Governor by the organization, the Governor makes the appointment from one of those three.

The important thing is that TIAK retain a representative seat on the Kansas State Fair Board.

HOUSE AGRICULTURE
2-1-94
Attachment #2

TO: Members of the House Agriculture Committee

FROM: Gary Reser
Governor Joan Finney's Legislative Liaison

DATE: February 1, 1994

SUBJECT: Testimony on H.B. 2773

Representative Shore and members of the committee, thank you for the opportunity to appear today and request the committee's favorable passage of House Bill 2773, establishing the Kansas State Fair Board.

The Governor would like to commend the committee for being so conscientious and recognizing the need to establish continuity for the State Fair Board and the Kansas State Fair in light of the recent court case involving the Kansas State Board of Agriculture.

A permanent procedure now needs to be in place to insure that sound management of the annual Kansas State Fair will continue.

House Bill 2773 provides for a seven (7) member Kansas State Fair Board. The board membership would look like this under the Governor's approach in House Bill 2773:

Kansas State Fair Board

Secretary of Agriculture
Secretary of Commerce and Housing
Commissioner of Education or Designee
K.S.U. Director of Extension Service
Kansas Chamber of Commerce and Industry*
Travel Industry Association of Kansas*
Kansas Fairs Association*

*These groups would each submit three (3) nominees to the Governor and one (1) person would be appointed from each list.

The main strength of this particular board composition is that it would rest ultimate control, authority, and responsibility for the Kansas State Fair and its operations with the Governor. Three (3) of the appointees would be selected by the Governor from three (3) lists of three (3) nominees. The Governor would have an additional two (2) appointees by virtue of cabinet secretary positions on the board.

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2-1-94
Attachment #3

Page 2
House Agriculture Committee

The board outlined in House Bill 2773 would provide excellent balance among agriculture, economic development, and education interests and tie them directly to the Fair's operations.

The Governor's appointment, authority, and control factors should eliminate any questions in regard to the constitutionality of the board during and after the time the Kansas State Board of Agriculture case is decided.

Of course, the stability, continuity, and strong management that the House Agriculture Committee and other legislators are seeking for the Fair would also be maintained.

This initiative was developed with the support and involvement of Kansas State Fair management.

The Governor respectfully requests the House Agriculture Committee to recommend House Bill 2773 favorably for passage.

Thank you very much for your consideration and congratulations again on the initiative you have taken on this important issue.



ROBERT A. GOTTSCHALK, General Manager
ELMER K. DENNING, Assistant General Manager

Starting the first Friday after Labor Day.

January 31, 1994

Representative Gene Shore, Chairman
House Agriculture Committee
Statehouse
300 SW 10th Ave., Rm. 446-N
Topeka, KS 66612-1504

Dear Representative Shore:

The State Fair Board would request the Committee consider the following additions to HB 2773:

- * Kansas Technology Enterprise continue to have representation on The State Fair Board.
- * The Kansas Livestock Association have membership on The State Fair Board.
- * Add, "or a person designated by the secretary" to line 19, Page 1.
- * Add, "or a person designated by the director" on line 20, Page 1.
- * Replace the word "may" with "shall" on line 10, Page 2.

The other membership as recommended in HB 2773 were outlined in a letter on October 15, 1993, to Governor Finney. This was authorized by the Fair Board at its October 7 budget meeting.

Your consideration will be appreciated.

Sincerely,


Robert A. Gottschalk
General Manager

dn

pc: Fair Board Members

HOUSE AGRICULTURE
2-1-94
Attachment #4