MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 A.M. on February 8, 2005 in Room 423-S of the Capitol.

All members were present except:

Tim Huelskamp- excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research Lisa Montgomery, Office of Revisor of Statues Jacqui Jones, Committee Secretary

Conferees appearing before the committee:

Constantine Cotsoradis, Assistant Secretary, Kansas Department of Agriculture (KDA)

Others attending:

See attached list.

Chairman Taddiken opened the meeting and introduced Assistant Secretary of Agriculture Constantine Cotsoradis, who spoke in support of <u>SB-113</u> - <u>which raises the registration fees for soil amendment products</u> and streamlines the reporting requirements of the Soil Amendment Act.

Mr. Cotsoradis explained to the Committee members that soil amendments are any substances intended to improve the physical, chemical or other characteristics of soil, or to improve agricultural crop production. Commercial fertilizers, agricultural liming materials, unmanipulated manures, vegetable compost or pesticides are not included.

Before a soil amendment can be sold, the company registering it for use in Kansas must prove that it works in the way the seller claims. Requiring label claims to be validated, ensures the people who buy these products they can be confident of the product's performance.

Under present reporting law, the twelve firms with products registered in Kansas are required to report tonnage twice a year, whether or not there were any sales during the reporting period. The process is time-consuming for both the firms and KDA. Mr. Cotsoradis stated that increasing the registration fee from \$60 to \$100 and eliminating the reporting requirement and tonnage fees will benefit both industry and KDA's pesticide and fertilizer program (Attachment 1).

Mr. Cotsoradis stood for questions.

Chairman Taddiken brought to the members attention the receipt of the annual written report of the Kansas Grape and Wine Industry Advisory Council (<u>Attachment 2</u>).

<u>Upon a motion by Senator Moore and seconded by Senator Pine, the minutes of February 1 and February 2 were unanimously approved by the Committee.</u>

The Chairman announced that the meeting of February 9 will be cancelled.

The meeting adjourned at 8.50 a.m.

The next meeting is scheduled for February 15, 2005.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE:	 -	8	

NAME	REPRESENTING
Gary Meyer	KDA.
SEAN MILLER.	KS DAIRY ASSN
Mary Jan Stanliewery BRAD HARRELSON	KS DAIRY ASSW KGFA/ KARA
BRAD HARRELSON	KFB
Sustin Hobtin	PINAK
Loslie Kaufman	Ks Coop Council
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DEPARTMENT OF AGRICULTURE ADRIAN J. POLANSKY, SECRETARY KATHLEEN SEBELIUS, GOVERNOR

Testimony on Senate Bill 113 The Senate Committee on Agriculture

by Constantine V. Cotsoradis **Assistant Secretary** Kansas Department of Agriculture

February 8, 2005

Good morning Chairman Taddiken and members of the committee. I am Constantine Cotsoradis, assistant secretary of agriculture. I am here in support of streamlining the reporting requirements in the Soil Amendment Act.

Soil amendments are any substances intended to improve the physical, chemical or other characteristics of soil, or to improve agricultural crop production. They do not include commercial fertilizers, agricultural liming materials, unmanipulated manures, vegetable compost or pesticides.

Before a soil amendment can be sold, the company registering it for use in Kansas must prove that it works in the way they claim that it does. Requiring label claims to be validated ensures that the people who buy these products can be confident they will perform in the way they expect them to. The changes to the Soil Amendment Act I support today do not alter this requirement.

Currently, there are 12 firms with 15 products registered in Kansas, and they are required to report tonnage twice a year even if they did not have any sales during the reporting period. This is time-consuming for those firms and for our pesticide and fertilizer program, since we must mail reporting forms to the firms and then process the reports and fees. To offset lost tonnage fees, we will increase the registration fee from \$60 to \$100. Ultimately, eliminating the reporting requirement and tonnage fees will be a benefit to industry and our pesticide and fertilizer program.

Thank you. I will gladly stand for questions at the appropriate time.

Senate Agriculture Committee

Date: 2 - 8-05



DEPARTMENT OF AGRICULTURE ADRIAN J. POLANSKY, SECRETARY KATHLEEN SEBELIUS, GOVERNOR

Report of the Kansas Grape and Wine Industry Advisory Council the Senate Agriculture Committee

by Dan Ward, Chairman Kansas Grape and Wine Industry Advisory Council

February 2005

Mr. Chairman and members of the committee, I am Dan Ward, a grape grower and the owner of Slough Creek Winery near Oskaloosa. I serve as chairman of the Kansas Grape and Wine Industry Advisory Council.

Secretary of Agriculture Adrian Polansky formed the council to advise him on marketing, regulatory, research and legislative issues important to this growing Kansas agricultural venture. Members were appointed and our first meeting called last summer.

Grape and wine industry representatives are myself; Greg Shipe, Davenport Winery in Eudora; Norm Jennings, Smoky Hill Winery, Salina; and Janet Forge, Prairie Ridge Vineyard, St. George. Other members of the council are Kim Heck, Lawrence; Sorkel Kadir, assistant professor of horticulture at KSU, Manhattan; Tom Groneman, director of the Kansas Department of Revenue's Alcoholic Beverage control investigation and inspection unit; and Tuck Duncan of the Kansas Wine and Spirits Wholesalers Association.

In our three meetings last year, we discussed promotional activities, areas of concern, including use of pesticides, and the Kansas farm winery laws. Our mission is:

"The Kansas Grape and Wine Industry Advisory Council provides support to grow the grape and wine industry through legislative initiatives, research, education, and marketing to stimulate tourism and value-added, sustainable, environmentally responsible agriculture."

Industry Survey

A recent survey of grape and wine producers in Kansas shows that this once-booming agribusiness in Kansas—that is prior to prohibition—may be on its way back. About 50 percent of the survey respondents who do not now have a winery said they planned to open one in the next five years. The majority of current operations said they planned to expand. Respondents reported wine sales of about \$1.2 million dollars. Seventy percent of these business had two to six part-time employees; 29 percent had between one and 19 full-time employees. Grape and

109 SW 9th ST., Topeka, KS 66612-1280

Voice (785) 296-3556 Fax (785) 296-8389 http://www.acce

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wine growers reported that more than 150,000 in-state and out-of-state visitors stopped at their operations last year.

We believe the survey shows that grapes and wine are growing as an agricultural crop, a creator of jobs and tax dollars, and a tourism destination.

Legislation

The advisory council worked to develop some legislative recommendations that could be agreed on by the industry and acceptable to other interests. The council agreed to seek legislation increasing the cap size of farm wineries from 50,000 gallons to 250,000 gallons; allowing sampling in counties that approve of liquor by the drink and allow sampling at retail outlets; and increase the number of winery outlets allowed from two to five.

We also have discussed the issue of direct shipment of wine across state lines. Currently a national case on this issue is at the U.S. Supreme Court. Arguments have been heard and a decision is expected, perhaps in March. Tuck Duncan of the council witnessed the arguments to the court, and he believes the court was split at that time.

Pesticide Challenges

Grapes are sensitive to some commonly used pesticides in Kansas. The council has been working with the Department of Agriculture and others to develop ways to protect these and other sensitive crops, and each meeting has included an update on these efforts. Among them are: creation of a sensitive crops page on the Department of Agriculture where crop locations can be registered so pesticide applicators can know to avoid the areas; creation of sensitive crop signs landowners can post; and creation of communication and educational materials to raise the level of awareness about sensitive crops among all pesticide users and applicators.

Marketing for Grapes and Wine

The last year was also a fun one for the grape and wine industry. A brochure with descriptions and locations of all the wineries was completed. A grape stomp and Kansas wine and cheese tasting/judging event at the Kansas State Fair were highly successful events. A detailed marketing plan for the future is being created, including such ideas as developing American Viticulture Areas in Kansas, creation of point of purchase materials for Kansas wine at retail liquor store locations, and development of a Kansas winery website.

Research

The council also will be studying research, shipping and taxation issues in the future.

Respectfully Submitted,

Dan Ward, Chairman Kansas Grape and Wine Industry Advisory Council