

MINUTES OF THE HOUSE AGRICULTURE & NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Larry Powell at 9:00 a.m. on January 26, 2011, in Room 783 in the Docking State Office Building.

All members were present except:

Representative Rocky Fund - Excused
Representative Michael Peterson - Excused

Committee staff present:

Jill Wolters, Office of the Revisor of Statutes
Sean Ostrow, Office of the Revisor of Statutes
Raney Gilliland, Kansas Legislative Research Department
Michael Wales, Kansas Legislative Research Department
Kay Scarlett, Committee Assistant

Conferees appearing before the Committee:

Dale Rodman, Acting Secretary, Kansas Department of Agriculture

Others attending:

See attached list.

There were no bill introduction requests.

Dale Rodman, Acting Secretary, Kansas Department of Agriculture, addressed the committee sharing his extensive personal background in agriculture prior to his nomination by Governor Brownback to serve as the Kansas Secretary of Agriculture. Kansas agriculture is strong and a foundation of the Kansas economy, however, he feels there are many opportunities for growth in the Kansas economy, and agriculture will play a key role in that growth. He is serving as a member of Governor Brownback's Economic Team charged by the Governor to develop an economic development strategy to grow the number of Kansas jobs that provide a meaningful increase in income and opportunity for Kansas families. The Governor has committed to creating Rural Opportunity Zones. These zones would be an effort to provide rural areas with declining populations an opportunity to find the right tax and economic development resource mix to spur growth in their regions. The goal is to expand rural opportunities in Kansas and grow the agriculture sector.

Secretary Rodman stated that it is the Governor's vision to grow the role and mission of the Department of Agriculture and make it a premier state agency. His budget brings responsibility for animal health, conservation, and agricultural marketing to the Department of Agriculture. He noted that most states include these responsibilities in the missions of their departments of agriculture. It is believed greater efficiencies can be achieved, and that has never been more important than in this time of budget cuts and agency staff reductions. The Governor wants greater focus on promotion of agricultural products and for the Department of Agriculture to play a greater role in being an advocate for the agricultural industry. Copies of the Kansas Department of Agriculture's 2010 Annual Report (available from the Department) were distributed. (Attachment 1)

Representative Jerry Williams suggested asking someone from the Kansas Geological Survey to speak to the committee highlighting their relationship to agriculture and natural resources.

The meeting adjourned at 9:50 a.m. The next meeting of the House Agriculture and Natural Resources Committee is scheduled for January 27, 2011.

HOUSE AG & NATURAL RESOURCES COMMITTEE
GUEST LIST

DATE: JANUARY 26, 2011

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Presentation to the House Agriculture and Natural Resources Committee

**By Dale Rodman
Acting Secretary
Kansas Department of Agriculture**

January 26, 2011

Mr. Chairman and Members of the Committee, thank you very much for the opportunity to come before you today. It is an honor to be nominated by Governor Brownback to serve as Secretary of Agriculture. I grew up on our family grain and livestock farm near Toronto, Kansas, and graduated from Kansas State University with a degree in milling science. After a career in agribusiness that included developing and managing facilities in the U.S. and abroad, this is an opportunity for me to serve Kansas agriculture.

My career has included working for Cargill, Inc. a total of 37 years in various management positions in Kansas, across the country and around the world in 30 countries. I also served as president of Tramco, Inc, a family-owned manufacturer of heavy duty dry bulk conveying systems in Wichita.

This is a very exciting time to be part of Kansas agriculture. Kansas agriculture is strong and a foundation of the Kansas economy. U.S. net farm income is forecast at \$81.6 billion in 2010, up 31 percent from 2009 and 26 percent higher than the 10-year average of \$64.8 billion for 2000-2009. The mid-1970s was the last comparable period when U.S. farming enjoyed multiple years of sustained levels of high output and income.

However, there are many opportunities for growth in the Kansas economy, and agriculture will play a key role in that growth. Growing the Kansas economy is the Governor's first priority, and he is committed to taking bold steps today to create economic growth tomorrow. We will grow the animal agriculture sector, facilitating greater investments in livestock production and dairy.

I am serving as a member of Governor Brownback's Economic Development Team, and we have been charged by the Governor to develop an economic development strategy to grow the number of Kansas jobs that provide a meaningful increase in income and opportunity for Kansas families. We will pursue new economic opportunities and be directly involved in attracting new businesses to the State.

The Governor has committed to creating Rural Opportunity Zones. These zones would be an effort to provide rural areas with declining populations an opportunity to find the right tax and economic development resource mix to help kick start growth in their regions.

The selection of Kansas State University as home to the National Bio and Agro-Defense Facility (NBAF) provides a rich opportunity to use this seminal event as a foundation upon which to build an integrated, generations-long private-sector animal health economic growth dividend for Kansas. In order to secure this dividend an intense private sector collaboration/commercialization initiative is warranted.

Rural America is at risk, and the population and economic trends in Kansas are stark. Rural counties face long-term outmigration, underemployment, and brain drain. Twelve of our counties peaked in population in the 1890 Census. Thirty-one of Kansas' 105 counties are considered "frontier" counties with fewer than six persons per square mile. Per capita income of the state is nearly 30 percent below that of Johnson County by itself. From 2000 to 2009, the nine metropolitan counties of Kansas added population in an amount equivalent to another Overland Park, while the population of the 96 non-metro counties lost the equivalent of another Salina. We have opportunities to change this trend through expanding rural opportunities in Kansas and growing the agriculture sector. The Governor has specifically targeted growing animal agriculture west of Highway 81.

Agriculture will be play a significant role in achieving the Governor's Road Map for Kansas by growing jobs in rural Kansas, helping to accomplish these goals:

1. Increase in net personal income
2. Increase in private sector employment
3. Increase in the percentage of 4th graders reading at grade level.
4. Increase in the percentage of high school graduates who are college or career ready.
5. Decrease in the percentage of Kansas' children who live in poverty.

Let me now turn to the Department of Agriculture. During the transition, I served on the team that visited state agencies and examined their structures. With the benefit of that review and after five days on the job at the Department of Agriculture, I am impressed with job we are doing with the resources we have. Through the budget cuts in recent years, Department of Agriculture staff has been reduced by roughly 1/3. The percentage of State General Funds of the Department's budget has been reduced from 55% in 2001 to 37% in 2010.

Along with this statement, I am transmitting to you the Department of Agriculture's 2010 Annual Report. In it, you will find many references to cuts in budget and staffing levels. The employees at the Department have done a very good job in creating efficiencies and managing programs through these reductions. An example is the food safety program, which was transferred to the Department of Agriculture in 2008. At that time, the program had a deficit of \$300,000. There were 24 field staff and 12 in the office. Inspections were paper-based and are now all electronic. As a result, we have been able to increase field staff to 30, with 6 in the office. There is now a positive fee fund balance. The program is recognized as one of the premier food safety programs in the nation and is 100% fee funded.

It is the Governor's vision to grow the role and mission of the Department of Agriculture and make it a premier state agency. His budget brings responsibility for animal health, conservation and agricultural marketing to the Department of Agriculture. Most states include

these responsibilities in the missions of their departments of agriculture, and we see several advantages of having these functions in the Kansas Department of Agriculture.

The Governor wants greater focus on promotion of agricultural products and for the Department of Agriculture to play a greater role in being an advocate for the agricultural industry. With NBAF and many related businesses coming to Kansas, our state is the center for animal disease research. KDA has a leading homeland security and emergency preparedness program, with a full-time homeland security specialist who coordinates and conducts training with other state agencies, including Kansas State University and the Extension Service. The Governor also has long had a profound concern for soil and water conservation and has instructed me make solutions for water conservation in Western Kansas a high priority.

Greater efficiencies can be achieved, and that's never been more important than in this time of budget cuts and agency staff reductions. The Department of Agriculture has excellent information technology, legal, communications, laboratory and fiscal staff and resources which will not only provide for greater efficiency for those additional programs but will provide them with many resources they do not now have. There are also benefits of being part of a Cabinet level agency, with the potential for elevation of issues, programs and concerns. In addition, these programs are related to the Department of Agriculture and being co-located and within the same department will provide opportunities for better coordination between related program areas.

The Governor and I are here for a time. We want to put in place measures that will firmly establish the Department of Agriculture as a leading state agency so that in future administrations, Kansas agriculture will continue to be served by a strong regulatory and advocacy state department.

Mr. Chairman, thank you for this opportunity to meet with the Senate Agriculture Committee today. The staff of the Department of Agriculture and I stand ready to assist you in any way we can in serving Kansas agriculture. I look forward to working with you this year and in the future, and I would welcome any questions.

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