

**To: House Agriculture Committee, Representative Ken Rahjes, Chairperson**

**From: John Donley, Kansas Farm Bureau**

**Date: March 22, 2021**

**Re: SB 143- Increasing Grain Warehouse Fees**

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Good morning Chairman Rahjes and members of the Committee, I appreciate the opportunity to present testimony on behalf of the Kansas Farm Bureau (KFB) in support of SB 143. KFB is the state's largest general farm organization representing more than 30,000 farm and ranch families through our 105 county Farm Bureau Associations.

As numerous conferees will testify, the Grain Warehouse Program in the Kansas Department of Agriculture (KDA) is the licensing entity to ensure that grain warehouses are financially solvent. They also perform inspections that ensure the farmers who deposit grain in these facilities are financially protected. KFB supports the existence of a state grain warehouse program due to the fact that a state department is generally more responsive to constituent concerns as well having proven to be an effective regulatory program over the years.

When KDA presented the financial scenario to stakeholders over the past year, it became apparent that the most feasible option to maintaining the state program was a fee increase. KFB fully acknowledges that these fees will be passed down to farmers. However, the importance of this program outweighs the increased costs to Kansas farmers. The hope is that this will provide a sustainable program into the future.

KFB also supports the inclusion of additional state general fund dollars in the budget to help support this program. The program provides a general public good by ensuring the financial stability of warehouses storing farmer's crops. This provides stability to the state economy as a whole. Therefore, it is appropriate to continue to fund a portion of the program with SGF dollars.

In conclusion, while no one likes a fee increase, there are times when an increase is necessary to maintain the necessary operations of important regulatory functions designed to protect farmers and consumers. Therefore, KFB is supportive of SB 143 and encourages the committee to pass the bill out favorably.