

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on March 8, 2000, in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
 Gordon Self, Revisor of Statutes Office
 Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Doug Wareham, Kansas Grain & Feed Association and Kansas Fertilizer and Chemical Association
Jamie Clover Adams, Secretary, Kansas Department of Agriculture
Jarold Boettcher, President, Boettcher Enterprises, Inc., Beloit
David Andra, General Manager, Danville Cooperative Association, Danville
Paul Dalke, Director of Safety, Health & Environment, Beachner Grain, Inc., St. Paul
Chris Wilson, Kansas Agriculture Aviation Association and Kansas Seed Industry Association
Chuck Stones, Kansas Bankers Association
Jim Grauerholz, Farm Credit Bank of Wichita and Farm Credit Associations of Kansas
Joe Lieber, Executive Vice President, Kansas Cooperative Council
Leslie Kaufman, Assistant Director, Public Policy Division, Kansas Farm Bureau
Rick Bean, Bureau of Environmental Remediation, Kansas Department of Health & Environment
Derek Schmidt, Legislative Liaison and Special Counsel, Office of Governor Bill Graves
Representative Sharon Schwartz
Kansas Agricultural Alliance (written only)
Jere White, Kansas Grain Sorghum Producers Assn. and Kansas Corn Growers Assn.(written only)
Tim Shallenburger, Treasurer, State of Kansas (written only)
Jeff Field, Project Manager, U.S. Environmental Protection Agency
Paula Ford, Coordinator, North Central Region, Sustainable Agriculture Research and Education Program
Dr. Bill Hargrove, Director, KCARE, Kansas State University
Mary Fund, Communications Director, Kansas Rural Center
Charles Benjamin, The Kansas Natural Resource Council and Kansas Sierra Club
Representative Gwen Welshimer
Senator Donald Biggs (written only)
Dr. Alan Stevens, Director, K-State Horticulture Research & Extension Centers
Dr. Jeanne Drisko, University of Kansas Medical Center (no written testimony)

Others attending: See attached list

Minutes of the March 6 meeting were distributed. Chairman Johnson asked members to notify the committee secretary of any corrections or additions prior to 5:00 p.m., March 9, or they will be considered approved as presented.

Hearing on SB 501 - Enacting the agricultural and specialty chemical remediation act.

Doug Wareham, Kansas Grain & Feed Association and Kansas Fertilizer and Chemical Association, appeared in support of **SB 501**, which was introduced at their request. He explained that **SB 501** would create the Agricultural and Specialty Chemical Remediation Act to address corrective action costs for cleanup of agricultural or specialty chemicals. The act would have two sections, the Remediation Linked Deposit Loan Program and the Remediation Reimbursement Program. In addition, the bill would create the Kansas Remediation Board consisting of five members appointed by the Governor and approved by the Senate to administer the Remediation Reimbursement Program and associated fund. The remediation program would be funded by a Registered Pesticide Assessment, Commercial Grain Assessment, Registered Pesticide Dealer Assessment, Registered Fertilizer Product Assessment, and a Licensed Custom Fertilizer Blenders Assessment. Mr. Wareham offered an amendment to **SB 501** on page 5, lines 18 and 19, to change the makeup of the Remediation Board to better represent the stakeholders that will directly support this program

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and a technical change on page 7, line 42, proposed by the Department of Agriculture. ([Attachment 1](#))

Jamie Clover Adams, Secretary, Kansas Department of Agriculture, testified in support of **SB 501**, as amended, to create a remediation funding mechanism to cleanup polluted agricultural sites and also establish a low-interest production loan program for agricultural producers. The Secretary asked the committee to consider a germane amendment to statutorily broaden how the fees from the fertilizer, feed, and lime funds can be used. The department would like to fund a portion of the Plant Health and Weed Control Program with \$72,100 split between the feed, fertilizer and lime fee funds. She said the budget people feel this is an appropriate use of these funds; however, the department's attorneys believe the law needs to be changed. She noted that the amendment caps the amount that can be used by the Plant Health and Weed Control Program at \$75,000, annually, from each fund. ([Attachment 2](#))

Jarold Boettcher, President, Boettcher Enterprises, Inc., Beloit, appeared in support of **SB 501**. He said the funding mechanism provided for in this bill has precedent in the programs for underground petroleum storage tanks and in the dry cleaning industry. ([Attachment 3](#))

David Andra, General Manager, Danville Cooperative Association, Danville, testified in support of **SB 501**. He shared their experience with an underground gasoline tank leak at their Argonia self-serve, refined fuel plant, and the value of the Kansas Department of Health and Environment Underground Storage Tank Trust Fund Program. ([Attachment 4](#))

Paul Dalke, Director of Safety, Health & Environment for Beachner Grain, Inc., St. Paul, expressed support for **SB 501**. He said that agribusiness property owners should not have to bear the total burden of financial cleanup, that prior to 1984 carbon tetrachloride based grain fumigants were approved for use by the very agencies that are today holding agribusinesses responsible for best management practices of the past. ([Attachment 5](#))

Chris Wilson, Executive Director of the Kansas Agriculture Aviation Association and Director of Member Services of the Kansas Seed Industry Association, appeared in support of **SB 501** to create an environmental remediation fund. She said that none of their members are being remediated at this time, but believe such a remediation fund is a good program to have in place. ([Attachment 6](#))

Chuck Stones, representing the Kansas Bankers Association, testified in support of **SB 501** and its positive economic benefits for many businesses in Kansas, a remediation fund would allow a business to address environmental contamination without putting itself at risk. He said that KBA is on record as supporting linked deposit loan programs, that this type of arrangement is not new to Kansas, and he felt sure banks would use the program. ([Attachment 7](#))

Jim Grauerholz, Farm Credit Bank of Wichita and Farm Credit Associations of Kansas, appeared in support of **SB 501**, but said portions of the bill need clarification. He believes clarification is needed to ensure that Farm Credit is included both as an eligible lender and as having eligible securities. He provided a balloon amendment with his testimony that he believes will resolve these issues. ([Attachment 8](#))

Joe Lieber, Executive Vice President of the Kansas Cooperative Council, testified in support of **SB 501**. He said that approximately thirty of the identified contaminated sites are cooperatives and that Kansas Cooperative Council members believe it is a sound business decision to be involved in the remediation program. ([Attachment 9](#))

Leslie Kaufman, Assistant Director, Public Policy Division, Kansas Farm Bureau, testified in support of the Kansas Agricultural Production Loan Deposit Program amended into **SB 501** in the Senate. She said that while Farm Bureau policy does not address the provision in **SB 501** that would establish an agricultural and specialty chemical remediation fund, they commend the agricultural chemical industry for developing a plan to clean up contamination sights based in large part on fees they are willing to have assessed on themselves to ensure environmental cleanup occurs when and where it is needed. ([Attachment 10](#))

Rick Bean, Chief of the Remedial Section, Kansas Department of Health and Environment, testified on behalf of KDHE in support of **SB 501**. He said this bill will provide much needed financial assistance to qualifying agribusinesses to address contamination at their facilities, and will in turn assist the department in carrying out its mission to protect the public health and environment of Kansas. He expressed concern that the amount

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of funding provided may not be sufficient and didn't feel the department's efforts should be suppressed by funding limitations. Mr. Bean proposed that the terms "Kansas Remediation Board" and "Kansas Remediation Fund" be modified to include, "Kansas Agricultural Remediation Board" and "Kansas Agricultural Remediation Fund." ([Attachment 11](#))

Derek Schmidt, Legislative Liaison and Special Counsel, Office of Governor Bill Graves, expressed the Governor's support for both sections of **SB 501**, the original bill, the Agricultural and Specialty Chemical Remediation Act, which addresses pollution and contamination problems caused over the years by the use of agricultural chemicals, and for **HB 2527**, which establishes a reduced-interest, linked-deposit production loan program for agricultural producers, that was amended into the bill in the Senate. ([Attachment 12](#))

Representative Sharon Schwartz expressed her support for **SB 501** and the amendment added in the Senate. The amendment includes the reduced-interest, linked-deposit loan assistance program contained in **HB 2527**, which she introduced and passed the full House last session. ([Attachment 13](#))

The Kansas Agricultural Alliance with twenty-one member organizations submitted written testimony unanimously supporting **SB 501**. ([Attachment 14](#))

Jere White, Executive Director, Kansas Grain Sorghum Producers Association and Kansas Corn Growers Association, submitted written testimony in support of **SB 501**, as amended. ([Attachment 15](#))

Tim Shallenburger, Treasurer, State of Kansas, submitted written testimony concerning **SB 501**, the Agricultural and Specialty Chemical Remediation Act, which utilizes a linked deposit loan program. He stated that the program would create minimal legal and paperwork costs that would be absorbed within the existing budget of the State Treasurer's office. ([Attachment 16](#))

Jeff Field, Project Manager, Drinking Water/Groundwater Management Branch, U.S. Environmental Protection Agency, provided background information concerning the potential impact of past fumigation practices at grain storage sites and EPA's efforts to address the pollution that has resulted. He commended the efforts of the Kansas Department of Health and Environment and the Kansas Grain and Feed Association to address these pollution problems; however, EPA believes the issue of state funding of this program is best left for the state to resolve. ([Attachment 17](#))

Hearing on SB 534 - Establishing a center of excellence at KSU for sustainable agriculture.

Steven Graham, Assistant to the Dean and Director, College of Agriculture and K-State Research and Extension, introduced Paula Ford, Coordinator, North Central Region, Sustainable Agriculture Research and Education Program, located at Kansas State University. Ms. Ford discussed the SARE program which was authorized in the 1990 Farm Bill and is appropriated by Congress on an annual basis. She discussed projects SARE has funded in Kansas and how the people of Kansas have benefitted. ([Attachment 18](#))

Dr. Bill Hargrove, Director, Kansas Center for Agricultural Resources and the Environment, reported that since the hearing on **SB 534** in the Senate, they have reconsidered their approach to establishing a Center of Excellence on Sustainable Agriculture and Alternative Crops at Kansas State University. As many of the functions and duties of the center are already taking place at the University, they propose to hire a full-time coordinator under the technical and programmatic leadership of a core team of four to six K-State faculty who have appropriate expertise and professional interest in the mission and programs of the center under the administration of KCARE. They also propose to organize an Area of Expertise Team consisting of K-State Research and Extension faculty, Kansas Department of Agriculture personnel, the Kansas Rural Center, and other groups.

Dr. Hargrove submitted a draft proposal for the Center for Sustainable Agriculture and Alternative Crops at Kansas State University, including a proposed Mission Statement, Objectives of the Center, Administration and Financial Management, Technical and Programmatic Leadership, Coordinator qualifications and responsibilities, and action items for the first year. They estimate the fiscal impact of this proposal to be \$60,000, annually. ([Attachment 19](#))

Mary Fund, Communications Director, Kansas Rural Center, testified in support of **SB 534**. The Kansas Rural Center believes a Center of Excellence on Sustainable Agriculture and Alternative Crops at Kansas State

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University would enable the University to better coordinate their existing efforts; focus on developing new research programs; provide a platform for seeking funding from outside sources; and position the University to better respond to a growing constituency of farmers, small value-added businesses, rural communities, and consumers. ([Attachment 20](#))

Leslie Kaufman presented testimony prepared by Bill Fuller, Associate Director, Public Affairs Division, Kansas Farm Bureau, in support of **SB 534**. Farm Bureau supports the Senate action that struck the language that supplied the revenue from “redirected funds” and supports the amendment that “Subject to appropriations, officials at Kansas State University shall appoint a coordinator for the Center of Excellence on Sustainable Agriculture and Alternative Crops and fund operating expenses of such coordinator.” ([Attachment 21](#))

Charles Benjamin on behalf of The Kansas Natural Resource Council and Kansas Sierra Club appeared in support of **SB 534**. He said that a Center of Excellence on Sustainable Agriculture and Alternative Crops would help focus attention on an important and growing segment of agriculture and consumer interest. He expressed support for an advisory board made up of KSU faculty, sustainable agriculture representatives, and others to develop and guide this concept into implementation. ([Attachment 22](#))

Representative Gwen Welshimer testified in support of **SB 534**. She said that a Center of Excellence on Sustainable Agriculture and Alternative Crops at Kansas State University will benefit the Kansas farm community with alternative crop opportunities, new export opportunities, and value-added business opportunities. She thought this bill would also benefit education, the environment, and medical research in Kansas. ([Attachment 23](#))

Senator Donald Biggs submitted written testimony in support of **SB 534**, including a handout from Dr. Rhonda R. Janke of Kansas State University who testified before the Senate Agriculture Committee on February 9, 2000. ([Attachment 24](#))

The Kansas Agriculture Alliance submitted written testimony in support of **SB 534** as amended by the Senate. ([Attachment 25](#))

Hearing on HCR 5063 - Concurrent resolution supporting establishment of a center of excellence in Kansas for the scientific study of medicinal plants.

Dr. Alan Stevens, Director, K-State Horticulture Research & Extension Centers at Olathe and Wichita, provided information concerning **HCR 5063**. He said that the Great Plains Comprehensive Agricultural and Medical Initiative (CAMI) will be a center of excellence, leveraging the resources of the major research and education institutions of the state. He explained that CAMI is unique in alternative medicine research in that it has a strong agricultural production dimension so as to control and standardize the quality of the raw ingredients. He said that passage of this resolution would greatly strengthen their efforts in securing federal research grant funding. ([Attachment 26](#))

Dr. Jeanne Drisko, University of Kansas Medical Center, appeared in support of **HCR 5063** to establish a center of excellence for the scientific study of medicinal plants. She explained that the purpose of this resolution is to assure federal funding sources that the State of Kansas supports the efforts of CAMI in its applications for federal research funds.

Representative Gwen Welshimer provided testimony in support of **HCR 5063** addressed to the U.S. Secretary of Agriculture, U. S. Secretary of Education, and the Kansas congressional delegation to show that the Kansas legislature supports the efforts of CAMI in its quest for federal research funds. She explained that this funding would be for alternative crop research at KSU, integrated medical research at KU Medical Center, and education and clinical studies at WSU and Washburn. ([Attachment 27](#))

The meeting adjourned at 5:38 p.m. The next meeting is scheduled for March 13, 2000.