

MINUTES OF THE HOUSE AGRICULTURE & NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Larry Powell at 9:00 a.m. on March 7, 2012, in Room 783 in the Docking State Office Building.

All members were present except:

Representative Michael Peterson (Unexcused)

Committee Staff Present:

Randy Gilliland, Kansas Legislative Research Department

Sean Ostrow, Office of the Revisor of Statutes

Chris Sevedge, Kansas Legislative Research Department

Joyce Hladky, Committee Assistant

Conferees appearing before the committee:

Mike Brzon, Chairman, Kansas Corn Commission

Bob Haselwood, Chairman, Kansas Soybean Commission

Clayton Short, Kansas Sorghum Commission

Rich Randall, Kansas Wheat Commission

Cameron Pierce, Kansas Sunflower Commission

Others attending:

See Attached List.

Chairman Powell called the meeting to order and opened the floor presentations from the Kansas Corn Commission, Kansas Soybean Commission, Kansas Sorghum Commission, Kansas Wheat Commission and Kansas Sunflower Commission.

Mike Brzon, Kansas Corn Commission, presented the Commission's Annual Report for 2011. In 2011, Kansas farmers harvested 449.4 million bushels of corn, down 23 percent from 2010.

Drought and extreme heat hurt the drop and other grain crops, especially in the southern two-thirds of the state. While corn production was down 23 percent, the value of the drop decreased by less than 3 percent. The 2011 corn crop is valued at \$2.8 billion.

The main goal of the Kansas Corn Commission is to increase profitability of corn for growers. The commission has helped to build a strong ethanol industry and the commission remains committed to a strong livestock industry. The Commissions investments show a strong

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commitment to both. In addition, farmers have shown a commitment to provide year after year a plentiful supply of feedstock to satisfy both livestock and ethanol.

The livestock industry remains the #1 customer as the Commission works closely with the US Meat Export Federation to build exports of beef and pork. The Kansas Corn Commission was the first state corn commission to invest in the US Meat Export Federation over 30 years ago.

The Corn Commission is excited about entering their second year of partnering with Growth Energy, National Corn Growers and several other state corn checkoffs in the American Ethanol partnership with NASCAR. NASCAR is the world's largest marketing entity. NASCAR race vehicles operated on 15 percent ethanol fuel and drove over 1.3 million miles on ethanol blend with excellent result in both engine and performance mileage.

The Corn Commission also funds K-State in areas of improving production under limited irrigation.

The Kansas Corn check off rate remains at half-cent per bushel and the check off is fully refundable. The FY2011 checkoff was down to 11.34 percent from 11.5 percent in FY 2010.

Mr. Brzon thanked the Committee and answered questions. ([Attachment 1](#))

Mr. Bob Haselwood, Chairman, Kansas Soybean Commission presented a report to the Committee. The soybean checkoff continues to provide soybean farmers with an effective, efficient, self-directed program for research and development on both the state and national levels.

The Commission's international marketing efforts primarily are enacted through the International Grains Program at Kansas State University. They also work with export-marketing representatives within the Kansas Department of Commerce and US Soybean Export Council.

The consumer-education program includes education for school children as well as the general public about convenient, healthful soyfoods, while also promoting industrial soybean products such as biodiesel and soy-based inks, adhesives, paints, stains, sealers, and insulation. Biodiesel, which was developed by the soybean check off has created more than five times the energy used

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to produce it and it helps drive the demand for US soybeans and plays in important role in the national's overall energy strategy.

Another domestic market priority is the Commission's serious commitment to protecting animal agriculture, which consumes about 98 percent of all soybean meal produced in the United States.

The administrative budget includes the cost of collections, audits, elections and other commission expenses. An outside, accredited auditing firm completes audits on the Kansas Soybean Commission and a copy of the 2011 audit is available upon request. Included in the packet of information presented to the Committee is a statement of net assets, statement of activities, statements of cash flows and schedules of program expenses from the last two audits.

Mr. Haselwood thanked the Committee and answered questions. (Attachment 2)

Mr. Clayton Short, Chairman, Kansas Sorghum Commission presented the 2012 Annual and Legislative Report.

The Sorghum Commission currently participates in the National Sorghum Checkoff Program. The current rate is 0.6 cents per farm gate value. The Kansas Commission has received over \$2.5 million in passback dollars in the first three years of the USCP Program.

Some of the great things that have come from the National program include:

- Larger pool of dollars for larger projects
- Unified voice in sorghum promotion
- Elimination of state duplication in sorghum research
- Kansas Grain Sorghum Commission works together with the USPC to put resources towards sorghum research.

The Commission has funded over \$1.65 million in research with Kansas State University in three years.

Kansas ranks number one in the United States for sorghum production, producing over 50 percent of total sorghum. Kansas farmers produced 110 million bushels in 2011, down from 171 million in 2010 due to the drought in Kansas.

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The Kansas Grain Sorghum Commission plays a vital role in the future of grain sorghum production in Kansas by providing the sorghum producer with information and education. The commission also provides the seed and chemical industry with vital traits and technology that will be made available to the sorghum growers. Farmers need to have the confidence that the grain sorghum they plant will be both productive and profitable on their farms.

Ms. Short thanked the Committee and answered questions. ([Attachment 3](#))

Mr. Jay Armstrong, Kansas Wheat Commission presented the 2011 Annual Report and FY 2011 Audit Report.

The Kansas Wheat Commission has embarked on a number of new initiatives. Chief among them are the ground-breaking and beginning construction of the Kansas Wheat Innovation Center, a \$10 million research, greenhouse and office complex built by wheat producers, for wheat producers to be completed later this year.

The HPI and its “Double Haploid” laboratory promises to reduce the time to develop new wheat varieties by about 50 percent is running at maximum capacity and has run out of room at the leased space at Kansas State University. Additional space will need to be leased in Manhattan. This is a good problem to have.

The Kansas Wheat Innovation Center will also house the offices of the Kansas Wheat Commission and the Kansas Association of Wheat Growers and will address issues that plague the industry now such as yield improvement, drought tolerance, and more. The Kansas Wheat Commission continues to invest in more than \$1 million each year in research.

In June, 2011, the Kansas Wheat Commission hosted the second National Festival of Breads amateur bread-baking contest in Wichita.

The Kansas Wheat Commission anticipates very good prospects for the 2012 wheat crop. Last fall, farmers planted nearly 9.5 million acres of wheat, an increase of about 700,000 acres over the previous year. Kansas is known globally as the “Breadbasket to the World,” which is the reason Kansas wheat farmers are investing now to sustain a bright future for Kansas wheat.

Mr. Armstrong thanked the Committee for their support and answered questions. ([Attachment 4](#))

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Representative Wetta invited the Kansas Wheat Commission to participate in the Kansas Wheat Festival that will be held this year in Wellington, Kansas.

Mr. Cameron Pierce, Kansas Sunflower Commission, presented the Commission report to the Committee.

In FY2011 the Kansas Sunflower Commission collected \$120,190.14 in check-off dollars from sunflower growers, an approximate 48 percent increase from the previous year. The net increase in check-off dollars reflects the assessment increase that was put in place last year. Last year the Commission increased the assessment from 3 cents to 5 cents per 100 pounds of sunflowers with the intention of increasing research in both weed control in sunflower and improved yields through genetic research.

Mr. Pierce shared some preliminary results with respect to research that has been done in Kansas in cooperation with the National Sunflower Association. Dr. Phil Stahlman is examining alternatives for *Palmer amaranth* (pigweed) control in sunflowers. Weed control is one of the greatest challenges for sunflower growers, and pigweed is particularly difficult to manage. Preliminary results show one new product licensed through BASF is showing good weed control with little to no impact on the sunflower. If these trials prove successful and the products are affordable, sunflowers may once again compete as a profitable primary crop in Kansas. Kansas Sunflower Commission continues to look for opportunities to promote the sunflower, increase acres planted in the state, and provide valuable crop research.

Mr. Pierce thanked the Committee and answered questions. (Attachment 5)

Chairman Powell opened the floor to work **SB310 establishing local enhanced management areas.**

Representative Kerschen offered a motion to favorably pass SB310. Representative Arpke seconded the motion.

Chairman Powell reminded the Committee that at the hearing on **SB310**, Mr. Bossert indicated that the NW GMD #4 would have the ability to fund or share the costs the hearings. Sean Ostrow of the Revisor of Statutes Office indicated this could be added.

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Representative Powell offered a conceptual amendment to **SB310** that it would be permissible for NW GMD #4 to share the costs or fund the hearings. Representative O'Hara seconded the motion. When called to a vote, motion carried.

Representative Kerschen moved to favorably pass out **SB310** as amended. Representative Arpke seconded the motion. When called to a vote, the motion carried.

Chairman Powell opened the floor to work **SB316 updating references and corresponding changes relating to Executive Reorganization Order No. 36 and the Kansas Department of Wildlife, Parks and Tourism.**

Representative Williams offered a motion to favorably pass **SB316**. Representative Hayzlett seconded the motion. When called to a vote, motion carried.

Meeting adjourned at 10:36 a.m.

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