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Date: March 9, 2022
To: Chairman Dan Kerschen, Senate Agriculture and Natural Resources Committee
From: Shahira Stafford, Kansas Cooperative Council
RE: Proponent Testimony on House Bill 2563

Mr. Chairman and Members of the Committee,

On behalf of the Kansas Cooperative Council (KCC), thank you for the opportunity to provide proponent testimony on House Bill 2563. The KCC is a statewide association that works on behalf of all types of cooperatively structured businesses in Kansas. Some of the industries organized as cooperatives include agriculture, utility, financial and insurance. Simply, cooperatives differ from other businesses because they are member-owned, member-controlled, democratically governed, and profits are returned to member-owners.

Most of KCC's members are agricultural retail cooperatives that are licensed and regulated by the Kansas Department of Agriculture (KDA). As such, we support a strong state agency and appreciate their efforts to ensure our cooperatives can do business in a safe environment.

Of the several statutes that HB 2563 impacts, the changes to the Commercial Industrial Hemp Act and Kansas Seed Law are of interest to our members.

The KCC supports industrial hemp as a viable alternative crop for Kansas farmers. Further research is needed to determine industrial hemp's viability as a cash crop and ensure that a sustainable market and regulatory framework is in place for hemp to serve as a stable source of fiber, food, or fuel. HB 2563 will expand and strengthen the industrial hemp program to further its commercial production.

In addition, this bill revises definitions of agricultural seed, noxious weeds, and updates label requirements for the commercial sale of weed seed. While it also grants a new civil penalty authority, the KCC supports the amendment made by the House Agriculture Committee that caps the civil penalty for continuing violations at \$3,000 but removes language allowing a new civil penalty for each day of a continuing violation.

Thank you for allowing us to submit comments in support of HB 2563, and we ask for your support of the bill.