

MINUTES OF THE HOUSE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on March 20, 2006, in Room 423-S of the Capitol.

All members were present except:

Representative John Faber- excused
Representative Joann Freeborn- excused
Representative Frank Miller- excused
Representative Virgil Peck- excused
Representative Ted Powers- excused

Committee staff present:

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

Conferees appearing before the committee:

John Watson, Director, Trade Development Division, Kansas Department of Commerce
Jack Chen, Director-General, Taipei Economic and Cultural Office
Jo Turner, Board of Directors, Kansas Horse Council
Chris Wilson, Kansas Dairy Association

Others attending:

See attached list.

Hearing and action on SCR 1624 - Concurrent Resolution supporting a Taiwan-United States free trade agreement.

Chairman Johnson opened the hearing on **SCR 1624** and asked Raney Gilliland to review the resolution for the committee.

John Watson, Director, Trade Development Division, Kansas Department of Commerce, reported that the Department is generally supportive of **SCR 1624** believing it is important to give witness to important international trade relations of the state. The Department works closely with the Taiwan Economic and Cultural Office in Kansas City to advance our mutual interests in trade and friendship. In calendar year 2005, Taiwan customers imported over \$80 million worth of Kansas products, which ranks Taiwan as Kansas' 19th most important trading partner.

The Kansas Department of Commerce is concerned about the language in **SCR 1624** advocating increased trade through the enactment of a free trade agreement between Taiwan and the United States. Noting that the State of Kansas is active in promoting Kansas exports throughout the world to maximize business opportunities for the state's companies, the Department is unclear what the impact of a United States-Taiwan free trade agreement would have on relations with our other trading partners. As no formal United States negotiations with the Taiwanese government have been scheduled at this time, and given a lack of any detail on the specifics of an agreement and the economic impact on Kansas trade relations with Taiwan, the Department would like alternative language in the resolution to show our appreciation and support for our good friends in Taiwan. (Attachment 1)

Jack Chen, Director-General, Taipei Economic and Cultural Office, appeared in support of **SCR 1624** introduced at their urging believing a United States-Taiwan free trade agreement would bring with it economic and commercial benefits for both countries. They believe a free trade agreement would eliminate tariffs and non-tariff barriers, clarify rules of origin and customs procedures for the eligibility of goods, lower barriers to trade in services to allow United States exporters of services greater access to Taiwan's market, loosen investment restrictions to create new joint venture opportunities for the United States and Taiwan, and expand U.S. trade and export opportunities with the rest of the Asia-Pacific region. (Attachment 2)

As there were no other conferees, Chairman Johnson closed the hearing on **SCR 1624** and opened the floor for discussion.

CONTINUATION SHEET

MINUTES OF THE House Agriculture Committee at 3:30 p.m. on March 20,2006, in Room 423-S of the Capitol.

Gordon Self explained a balloon amendment to **SCR 1624** proposed by the Kansas Department of Commerce to amend the resolution by striking the language “a Taiwan-United States free trade agreement” on Page 1, Lines 9 and 10; and “the negotiation of a Taiwan-United States free trade agreement” on Page 2, Line 2; and inserting in both places the language “continued, mutually beneficial trade between Taiwan and the United States.” It was noted that the phrase “free trade agreement “ appears in three other locations in the resolution. (Attachment 3)

Representative Gatewood moved to adopt the balloon amendments to SCR 1624. Seconded by Representative Powell, the motion carried.

Representative Feuerborn moved to strike all “free trade agreement” language in SCR 1624. Gordon Self explained that this would strike Lines 30 through 41 on Page 1,in their entirety. Seconded by Representative Dahl, the motion carried.

Representative Dahl moved to recommend SCR 1624, as amended, favorably for adoption. The motion was seconded by Representative Carlson. The motion carried.

Presentation on HB 3018 - Creation of equine industry research and promotion board.

Jo Turner, Board of Directors, Kansas Horse Council, discussed **HB 3018** referred to the House Agriculture Committee this morning, too late in the session to schedule a hearing on the bill. She explained that the Kansas Horse Council is a non-profit organization that provides the Kansas equine industry with leadership and direction through education, promotion, and public policy advocacy. The Board would like to do more for the equine industry of Kansas, but needs additional funding. **HB 3018** would create a voluntary self assessment of \$.05 per 50 pounds of manufactured horse feed; the fee may be refunded should someone choose not to participate. She explained that this check-off idea was presented to them by Purina Mills who actively supports and administers the program. She noted that Maryland and Illinois both have passed feed check-off bills for the equine industry with very positive results. (Attachment 4)

Chris Wilson, Kansas Dairy Association, provided dairy treats for the committee and informative information on the dairy industry in Kansas. Kansas ranked 18th among the states in dairy production in 2005 and 11th in milk production per cow. Kansas ranks first in production increases over the previous 5 years, with a 60.8 percent increase, and first in per capita milk production over the previous 5 years, with a 56 percent increase. (Attachment 5)

The meeting adjourned at 4:07 p.m. There are no further meetings of the House Agriculture Committee scheduled for the 2006 Legislative Session.