



LOCAL FOOD AND FARM TASK FORCE

CHAIRPERSON: Ron Brown (Ft. Scott)

OTHER MEMBERS: Senator Dan Kerschen (Garden Plain), Representative Adam Lusker (Frontenac), David Coltrain (Garden City), Cary L. Rivard (Olathe), Loren Swenson (Concordia), Annarose White (Wellington), and ex officio member Senator Tom Hawk (Manhattan).

Annarose White

Cary Rivard

Loren Swenson

Dan Kerschen

Tom Hawk

David Coltrain

Ron Brown

Adam Lusker

DECEMBER 2016

Re-establishing the Local Food and Farm Task Force; SB 314

SB 314 re-establishes the Local Food and Farm Task Force, which had sunset on December 31, 2015, and establishes a new sunset for the Task Force of July 1, 2017.

Among other provisions, the bill continues the membership of the Task Force, provides for Task Force staffing, and directs the Task Force to prepare a Local Food and Farm Plan to be submitted at the beginning of the 2017 Legislative Session.

The bill also adds language that members of the Task Force attending regular, authorized meetings and requesting reimbursement will be paid mileage as provided in existing law for no more than four meetings. Also, the bill revises directives and adds a new directive for the Task Force to study:

- Identification of financial opportunities, technical support, and training necessary to expand production and sales of locally grown agricultural products (revised);
- Identification of strategies and funding needs to make locally grown foods more accessible (revised); and
- Identification of factors affecting affordability and profitability of locally grown foods (new).

LOCAL FOOD AND FARM TASK FORCE PRESENTERS:

Highland Community College	K-State Research and Extension
Kansas Forest Services	Kansas Rural Center
Kansas Department of Agriculture	Douglas County
Juniper Hills Farm	
Kansas Legislative Research Department	

TASK FORCE GUESTS:

The task force acknowledges and thanks the following guests for attending the Local Food and Farm Task Force meetings and providing feedback:

Jessica Bowser, *USDA Rural Development*
Mark Skoglund, *Kansas Legislative Research Department*
Charlie Sargent, *Kansas Farm Bureau*
Barb Depew, *Kansas State Department of Education*
Michael Schoenecker, *Mike's Farm Fresh Produce*
Heather O'Hara, *Kansas Legislative Research Department*
Marlin Bates, *Douglas County Research and Extension*
Helen Schnoes, *Douglas County*
Scott Thellman, *Juniper Hills Farm*
Kathy Damron, *KC Healthy Kids*
Nancy Brown, *Kansas Farm Bureau*
Natalie Fullerton, *Kansas Rural Center*
Mary Fund, *Kansas Rural Center*
Ashley Jones-Wisner, *KC Healthy Kids*
Helen Schnoes, *Douglas County*
Phyll Klima, *Kitchen 4 Hire LLC*
Robin Beans, *Kitchen 4 Hire LLC*
Missty Lechner, *American Heart Association*
Kyle Hamilton, *Office of Revisor of Statutes*
Scott Kohl, *Highland Community College*
Dallas Picolet, *Live Well Geary County*
Steve Moris, *Kansas Department of Agriculture*
David Bruton, *Kansas Forest Services*

TASK FORCE SUPPORT:

Heather O'Hara, *Kansas Legislative Research Department*
Kyle Hamilton, *Office of Revisor of Statutes*
Julie Roller, *Kansas Department of Agriculture*
Kerry Wefald, *Kansas Department of Agriculture*
Taylor Harms, *Kansas Department of Agriculture*

Local Food and Farm Task Force- 2016 Report

Task Force Members- Chairperson Ron Brown, David Coltrain, Loren Swenson, Dr. Cary Rivard, Annarose Hart White, Senator Dan Kerschen, and Representative Adam Lusker. Senator Tom Hawk serves as Ex-Officio Task Force Member.

Meeting Dates- The Task Force reconvened in August 2016 and met the following dates:
August 23rd, 2016 at the Kansas Department of Agriculture in Manhattan, KS from 9 a.m.- 1 p.m.
September 21st, 2016 at the Kansas Department of Agriculture in Manhattan, KS from 9 a.m.- 2 p.m.
October 24th, 2016 at the Kansas Department of Agriculture in Manhattan, KS from 9 a.m.- 2 p.m.
November 14th, 2016 at the Kansas Department of Agriculture in Manhattan, KS from 12:30 p.m.- 4 p.m.
December 13th, 2016 at the Kansas Department of Agriculture in Manhattan, KS from 9 a.m.- 2 p.m.

All meetings took place in Room 124 and accommodated the Task Force members, Kansas Department of Agriculture staff, and guests. Meeting minutes were recorded and approved for each individual meeting.

August 23rd, 2016 Meeting Highlights-

Task Force reconvened and discussed their directives from the Legislature. Report was given to the Legislature in the previous year and they discussed creating a piece of legislation this year. Kansas Department of Agriculture gave a report on what the agency is doing in regards to beginning farmer programs and opportunities, as well as a report on the growth strategy for the State.

September 21st, 2016 Meeting Highlights-

Task Force welcomed Scott Thellman, owner and operator of Juniper Hill Farms, to the meeting. Thellman presented on his business model and Tier 2 Market Opportunities for specialty crop farmers. Following Thellman's presentation, the Task Force welcomed Marlin Bates and Helen Schnoes with Douglas County to present on what is being done for specialty crops in Douglas County. The Task Force concluded that Douglas County serves as a model to other counties in their specialty crop efforts. Bates stated that they would like to see the Task Force create a body at the state level for grievances to be aired, as well as a place for other ideas to be generated. Bates suggested that the Task Force create a team like Douglas County at the state level. Schnoes asked the state to support these efforts.

October 24th, 2016 Meeting Highlights-

Task Force welcomed Julie Roller, with the Kansas Department of Agriculture, to present on what the Kansas Department of Agriculture is doing to support specialty crops. Following KDA's presentation, the Task Force welcomed Scott Kohl, Highland Community College, to present on the Kansas Wine Industry. Kohl covered industry history, current projects for the industry, HCC information on viticulture studies, future challenges for the industry, and vineyard/winery facts and figures. Kohl stated that some people are a member of both wine groups in Kansas, but we need both groups to unite and present to the legislature. The Task Force concluded that a "wine

tax” would be a good piece of legislation to consider. The Task Force discussed a 10-cent increase to serve as this tax (currently at 30 cents, discussed moving it to 40 cents). The Task Force asked Legislative Research to research alcohol taxes and to create a draft for what a wine tax may look like in order to present to the legislature. Secretary McClaskey asked the Task Force to speak with the alcohol lobby, as well as identify how the money will be spent. The Task Force reported that they want the consumer to pay the tax, not the producer. The Kansas Rural Center discussed a list of questions they had for the Task Force and the Task Force addressed those questions. The Task Force reported that of those questions from the KRC, they believe the biggest piece would be to keep the Task Force going. They suggested that the group be made of members that understands the industry well. The Task Force discussed the possibility of the Chairman creating a short report and passing it out to each office (not just the ag committees). The Task Force suggested considering a recommendation of a 1/100th cent of the food sales tax be put towards local food efforts. The Task Force stated that they need to discuss who would collect the wine tax, where it would come from, and who would administer it.

November 14th, 2016 Meeting Highlights-

The Task Force welcomed Steve Moris, Kansas Department of Agriculture’s Food Safety and Lodging Program Manager, to share information about the program. He shared about the program’s licenses across the state, inspections, as well as how the program is funded (100% fee-funded and receives federal grants). Moris answered questions from the Task Force in regards to becoming licensed, federal guidelines, and FSMA. The Task Force then welcomed David Bruton from the Kansas Forest Service to present. Bruton covered various topics in his discussion of the Kansas Forest Service, including native trees in the state, commercial trees, Kansas opportunities within the industry and maintaining lists of timber buyers. The Task Force then welcomed Ashley Jones-Wisner to the floor. Jones-Wisner is with KC Healthy Kids. She spoke about KC Healthy Kids’ effort to reduce/eliminate food sales tax and she asked the task force to include lowering sales tax on food (again) in their report to keep this information top of mind. During their work session, the Task Force decided to include three pieces of proposed legislation within their report: wine tax, food sales tax, and create a position at the Kansas Department of Agriculture.

December 13th, 2016 Meeting Highlights-

The Task Force utilized this meeting to make corrections and/or additions to the Local Food and Farm Task Force Report to the Legislature. The Task Force worked together to ensure correct wording. They also worked with Kyle Hamilton, Office of Revisor of Statutes, to ensure the proposed legislation piece was correct. Taylor Harms will make the Task Force’s corrections and send back out to the group for a final revision.

Local Food and Farm Task Force Recommendations

- **Form a Local Food and Farm Advisory Board**

To establish a Local Food and Farm Advisory Board to be appointed by the Secretary of Agriculture to function and focus on growing the industry of local food (animal protein, cereal grain, and vegetables and fruit) in Kansas with an emphasis on specialty crops. There is significant demand for a state-wide advisory board after interest from the agricultural industry from the 2016 Kansas Ag Growth Summit and the findings of this Task Force. Also, continue dialog on important topics including, but not limited to:

- Drift/Pollination
- Cold Storage/Food Aggregation
- Meat Processing and Dairy
- Beginning Farmer

According to the United States Department of Agriculture, a specialty crop is fruits and vegetables, tree nuts, dried fruit and horticulture and nursery crops, including floriculture.

- **Kansas Department of Agriculture Local Food Systems Coordinator**

Create a position within the Kansas Department of Agriculture focused on supporting current specialty crop growers, as well as growing the industry and local food production systems in Kansas.

- **Kansas Wine Council**

Establish a Kansas Wine Council, comprised of 11 members, which would serve the purpose of furthering the growth and development of the Kansas wine industry. The Kansas Wine Council would receive funding through a \$.10 increase in the Kansas wine gallonage tax and would use that funding to budget and implement marketing, education and research projects related to Kansas wine. The Kansas Department of Agriculture would serve as the administrative agency of the Kansas Wine Council and would perform any administrative services needed by the Council.

- **K-State Research and Extension Specialty Crop Positions and Programs Support –**

While we recognize the reality of our state budget, we must continue to show our top level leaders that this is a priority and a need to continue growing the opportunities from this industry in our state.

- **Establish Kansas as a Specialty Crop Leader**

Form a Specialty Crop Council and commit .01 of a cent of the current tax on food sales to fund the Specialty Crop Council. This would operate in a similar way as the Kansas Wine Council.

- **Lower state food sales tax to 5.3 percent***

*Currently, food is not taxed at a rate different than any other non-exempt sales tax item. In 2008, the sales tax rate was 5.3%, which has increased since that time to 6.5%. There has been legislation introduced and considered regarding lowering sales tax on food, but none of this legislation has passed to-date.

Tax Rate on Food
Current as of January 1, 2016:

State	Tax Rate on Food
Kansas	6.500%
Colorado	0.000%
Nebraska	0.000%
Missouri	1.225%
Oklahoma	4.500%

Proposed Legislation

2017

17rs0024

HOUSE BILL NO. ____

AN ACT relating to wine; creating the Kansas wine council; establishing the duties, powers and funding thereof; increasing the wine gallonage tax; amending K.S.A. 41-501 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. Sections 1 through 6, and amendments thereto, shall be known and may be cited as the Kansas wine council act.

New Sec. 2. As used in this act:

(a) "Council" means the Kansas wine council created by this act.

(b) "Wine" shall have the same meaning as prescribed by K.S.A. 41-102, and amendments thereto.

New Sec. 3. (a) There is hereby established the Kansas wine council. The council shall be attached to the Kansas department of agriculture and shall be within the department as a part

thereof. All budgeting, purchasing and related management functions of the council shall be administered under the direction and supervision of the secretary of agriculture. The department shall serve as the administrative agency of the council in all respects and shall perform such services and duties as it may be legally called upon to perform.

(b) The council shall be comprised of 11 members, as follows:

(1) One member appointed by the governor;

(2) one member representing the Kansas department of agriculture, appointed by the secretary of agriculture;

(3) one member representing the college of agriculture at Kansas state university, appointed by the dean of the college of agriculture of Kansas state university;

(4) one member representing Highland community college, appointed by the president of Highland community college;

(5) one member representing the Kansas grape growers and winemakers association;

(6) one member representing the Kansas viticulture and farm winery association;

(7) one member who is a licensed wine distributor or wholesaler, appointed by the secretary of agriculture;

(8) one member of the house committee on agriculture and natural resources, appointed by the chairperson of the house committee on agriculture and natural resources, and one member of the senate committee on agriculture, appointed by the chairperson of the senate committee on agriculture. The legislative members shall be from different political parties; and

(9) two members-at-large appointed by the Kansas wine council.

(c) Members shall be appointed to the council on or before August 1, 2017. The first meeting of the council shall be held on or before September 1, 2017. Members of the council shall serve on the council for terms of two years. Any vacancy in the membership of the council shall be filled by appointment in the same manner prescribed by this section for the original appointment. A council member may be removed from office for cause by a majority vote of the council. Each council member shall hold office until a successor has been appointed, unless such council member has been removed from office.

(d) The council shall elect from its number a chairperson, who shall serve for a term of one year. The council may meet at any time and at any place within the state on the call of the chairperson or any two members. A quorum of the council shall be six members. All actions of the council shall be by motion adopted by a majority of those members present when there is a quorum.

New Sec. 4. The purpose of the council shall be to further the growth and development of the Kansas wine industry. To effectuate this goal, the council shall have the following duties and powers:

(a) To conduct a campaign of Kansas wine industry development, through marketing, education and research;

(b) to accept grants, gifts and donations, which shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kansas wine fund created by section 6, and amendments thereto;

(c) to budget and approve projects. Each project budgeted and approved by the council shall include a stated objective and anticipated results; and

(d) to adopt, rescind, modify and amend all necessary and proper rules for the procedure and exercise of its powers and the performance of its duties.

New Sec. 5. Council members shall receive no compensation for the performance of their duties under this act, but each council member shall be reimbursed from the funds of the council for actual and necessary expenses incurred in carrying out the member's official duties under this act.

New Sec. 6. (a) The Kansas wine council fund is hereby created in the state treasury. Moneys in the fund shall be administered by the Kansas department of agriculture, at the direction of and in cooperation with the council, to develop and maintain programs for marketing, education and research of the Kansas wine industry. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of the Kansas department of agriculture or the secretary's designee.

(b) The Kansas wine council fund may not be used for political or legislative activity of any kind.

(c) Moneys in the Kansas wine council fund at the end of a fiscal year shall not revert to the state general fund.

(d) No more than 40% of the moneys deposited in the Kansas wine council fund each fiscal year shall be used for any one of the following focus areas:

(1) Marketing;

- (2) education; and
- (3) research.

New Sec. 7. (a) On July 1, 2017, a tax at the rate of \$.10 per gallon for wine, regardless of alcohol content by volume, is hereby imposed on the manufacture, use, sale, storage or purchase of such alcoholic liquors owned at 12:01a.m. on July 1, 2017, by a licensed distributor or retailer as to which the tax has been imposed as provided in K.S.A. 41-501, and amendments thereto. Such tax shall be paid by the licensed distributor or retailer owning such wine at such time and date. On or before July 25, 2017, every such distributor and retailer shall make a report to the director on a form prescribed and furnished by the director showing the total number of gallons of such wine so owned at 12:01a.m. on July 1, 2017, and such report shall be accompanied by a remittance of the tax due.

(b) The license of any licensed distributor or retailer who shall fail to make such report or pay such tax, within the time hereinbefore prescribed, shall be subject to suspension or revocation as provided by K.S.A. 41-320, and amendments thereto. All taxes collected by the director under this section shall be paid into the state treasury and the state treasurer shall credit the moneys collected as provided by K.S.A. 41-501(i)(2), and amendments thereto.

(c) The provisions of this section shall be part of and supplemental to article 5 of chapter 41 of the Kansas Statutes Annotated, and amendments thereto.

Sec. 8. K.S.A. 41-501 is hereby amended to read as follows: 41-501. (a) As used in this section and K.S.A. 41-501a, and section 7 and amendments thereto:

- (1) "Gallon" means wine gallon.

(2) "Federal area" means any lands or premises which are located within the exterior boundaries of this state and which are held or acquired by or for the use of the United States or any department, establishment or agency of the United States.

(3) "Malt product" means malt syrup, malt extract, liquid malt or wort.

(b) (1) For the purpose of raising revenue a tax is imposed upon the manufacturing, using, selling, storing or purchasing of alcoholic liquor, cereal malt beverage or malt products in this state or a federal area at a rate of \$.18 per gallon on beer and cereal malt beverage; \$.20 per gallon on all wort or liquid malt; \$.10 per pound on all malt syrup or malt extract; ~~\$.30~~ \$.40 per gallon on wine containing 14% or less alcohol by volume; ~~\$.75~~ \$.85 per gallon on wine containing more than 14% alcohol by volume; and \$2.50 per gallon on alcohol and spirits.

(2) The tax imposed by this section shall be paid only once and shall be paid by the person in this state or federal area who first manufactures, uses, sells, stores, purchases or receives the alcoholic liquor or cereal malt beverage. The tax shall be collected and paid to the director as provided in this act. If the alcoholic liquor or cereal malt beverage is manufactured and sold in this state or a federal area, the tax shall be paid by the manufacturer, microbrewery, microdistillery or farm winery producing it. If the alcoholic liquor or cereal malt beverage is imported into this state by a distributor for the purpose of sale at wholesale in this state or a federal area, the tax shall be paid by the distributor, and in no event shall such tax be paid by the manufacturer unless the alcoholic liquor or cereal malt beverage is manufactured in this state. If not to exceed one gallon, or metric equivalent, per person of alcoholic liquor has been purchased by a private citizen outside the borders of the United States and is brought into this state by the private citizen in such person's personal possession for such person's own personal use and not for sale or resale, such import is lawful and no tax payment shall be due thereon.

(c) Manufacturers, microbreweries, microdistilleries, farm wineries or distributors at wholesale of alcoholic liquor or cereal malt beverage shall be exempt from the payment of the gallonage tax imposed on alcoholic liquor and cereal malt beverage, upon satisfactory proof, including bills of lading furnished to the director by affidavit or otherwise as the director requires, that the liquor or cereal malt beverage was manufactured in this state but was shipped out of the state for sale and consumption outside the state.

(d) Wines manufactured or imported solely and exclusively for sacramental purposes and uses shall not be subject to the tax provided for by this section.

(e) The tax provided for by this section is not imposed upon:

(1) Any alcohol or wine, whether manufactured in or imported into this state, when sold to a nonbeverage user licensed by the state, for use in the manufacture of any of the following when they are unfit for beverage purposes: Patent and proprietary medicines and medicinal, antiseptic and toilet preparations; flavoring extracts and syrups and food products; scientific, industrial and chemical products; or scientific, chemical, experimental or mechanical purposes; or

(2) the privilege of engaging in any business of interstate commerce or otherwise, which business may not be made the subject of taxation by this state under the constitution and statutes of the United States.

(f) The tax imposed by this section shall be in addition to all other taxes imposed by the state of Kansas or by any municipal corporation or political subdivision thereof.

(g) Retail sales of alcoholic liquor, sales of beer to consumers by microbreweries and sales of wine to consumers by farm wineries shall not be subject to the tax imposed by the Kansas retailers' sales tax act but shall be subject to the enforcement tax provided for in this act.

(h) Notwithstanding any ordinance to the contrary, no city shall impose an occupation or privilege tax on the business of any person, firm or corporation licensed as a manufacturer, distributor, microbrewery, microdistillery, farm winery, retailer or nonbeverage user under this act and doing business within the boundaries of the city except as specifically authorized by K.S.A. 41-310, and amendments thereto.

(i) (1) The director shall collect the taxes imposed by this section and shall account for and remit all moneys collected from the tax to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Except as otherwise provided by subsection (i)(2), upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury and the state treasurer shall credit $\frac{1}{10}$ of the moneys collected from taxes imposed upon alcohol and spirits under subsection (b)(1) to the community alcoholism and intoxication programs fund created by K.S.A. 41-1126, and amendments thereto, and shall credit the balance of the moneys collected to the state general fund.

(2) On and after July 1, 2017, the state treasurer shall credit revenue received from the tax imposed under subsection (b)(1) on wine as follows:

(A) \$.03 of the tax imposed upon each gallon of wine containing 14% or less alcohol by volume shall be credited to the community alcoholism and intoxication programs fund created by K.S.A. 41-1126, and amendments thereto:

(B) \$.075 of the tax imposed upon each gallon of wine containing more than 14% alcohol by volume shall be credited to the community alcoholism and intoxication programs fund created by K.S.A. 41-1126, and amendments thereto;

(C) \$.10 of the tax imposed upon each gallon of wine, regardless of alcohol content by volume, shall be credited to the Kansas wine council fund created by section 6, and amendments thereto; and

(D) the balance of the moneys collected shall be credited to the state general fund.

(j) If any alcoholic liquor manufactured in or imported into this state is sold to a licensed manufacturer or distributor of this state to be used solely as an ingredient in the manufacture of any beverage for human consumption, the tax imposed upon the manufacturer or distributor shall be reduced by the amount of the taxes which have been paid under this section as to the alcoholic liquor so used.

(k) The tax provided for by this section is not imposed upon alcohol or wine used by any school or college for scientific, chemical, experimental or mechanical purposes or by hospitals, sanatoria or other institutions caring for the sick. Any school, college, hospital, sanatorium or other institution caring for the sick may import alcohol or wine for scientific, chemical, experimental, mechanical or medicinal purposes by making application to the director for a permit to import it and receiving such a permit. Application for the permit shall be on a form prescribed and furnished by the director, and a separate permit shall be required for each purchase of alcohol or wine. A fee of \$2 shall accompany each application. All permits shall be issued in triplicate to the applicant and shall be under the seal of the office of the director. Two copies of the permit shall be forwarded by the applicant to the microbrewery, microdistillery, farm winery, manufacturer or distributor from which the alcohol or wine is purchased, and the

microbrewery, microdistillery, farm winery, manufacturer or distributor shall return to the office of the director one copy of the permit with its shipping affidavit and invoice. Within 10 days after receipt of any alcohol or wine, the school, college, hospital or sanatorium ordering it shall file a report in the office of the director upon forms furnished by the director, showing the amount of alcohol or wine received, the place where it is to be stored, from whom it was received, the purpose for which it is to be used and such other information as required by the director. Any school, college, hospital, sanatorium or institution caring for the sick, which complies with the provisions of this subsection, shall not be required to have any other license to purchase alcohol or wine from a microbrewery, microdistillery, farm winery, manufacturer or distributor.

Sec. 9. K.S.A. 41-501 is hereby repealed.

Sec. 10. This act shall take effect and be in force from and after its publication in the statute book.

Appendix- Local Food and Farm Task Force Previous Recommendations

These recommendations are from the 2015 Local Food and Farm Task Force Legislative Report:

The task force was charged with recommendations relevant to the four directives outlined below. However, several recommendations were identified as providing functions related to more than one specific directive, including:

- **Kansas Department of Agriculture Local Food Systems Coordinator**
Create a position within the Kansas Department of Agriculture focused on supporting current specialty crop growers, as well as growing the industry and local food production systems in Kansas.
- **Determine the current abilities, impacts and needs of local food system businesses in Kansas**
Develop detailed production and economic data relevant to local food systems, including specialty crop, honey and livestock operations in order to leverage resources and develop the growing industry.
- **Continue Local Food and Farm Task Force in 2016**
Recognizing the complexity of local food systems, the task force recommends continuing the task force so that it may continue exploring opportunities to enhance local food production systems in Kansas.

CONCLUSIONS AND RECOMMENDATIONS:

The task force makes the following conclusions and recommendations based on the four directives listed in statute.

1) Identification of financial opportunities, technical support and training necessary for local and specialty crop production;

- a.) **Kansas Department of Agriculture Local Food Systems Coordinator**
Create a position within the Kansas Department of Agriculture focused on supporting current specialty crop growers, as well as growing the industry and local food production systems in Kansas.
- b.) **Promote Educational Efforts for New Specialty Crop Farm Businesses**
 - i) Support and promote established specialty crop educational offerings at Community and/or Technical Colleges including, but not limited to: Highland Community College Viticulture and Enology Program, Johnson County Community College's agriculture and plant science program and Seward County vegetables and fruits programs.
 - ii) Work with partners to aggregate resources about financial incentives, technical support and training to help educate specialty crop producers and enhance local food production systems.

c.) Create K-State Research and Extension Positions Focused on Specialty Crop Production

Continue budget support for K-State Research and Extension to fund specialty crop positions and related research as outlined in the Kansas Rural Center's Feeding Kansas report:

- i) A statewide Fruit and Vegetable Agricultural Economist position should be created through K-State Research and Extension, with support from public funds.
- ii) Multiple (4-6) Fruit and Vegetable Regional Extension Specialist positions should be created through K-State Research and Extension Horticulture Program, with support from county and state public funds to provide advanced, locally-relevant technical support to farmers.
- iii) Kansas State University Horticultural Research stations should receive stable, public funding in order to support the commercial fruit and vegetable industry.

d.) Support training to help farmers increase capacity and scale-up production

- i) Proactively promote and educate producers about Good Agriculture Practices (GAP) and Food Safety Modernization Act (FSMA).
- ii) Continue to support KDA's trainings and workshops for farmer's market managers and vendors as a way to promote economic development in rural areas.
- iii) Provide support for existing programs within KSRE that train farmers including, but not limited to Growing Growers, the Great Plains Growers Conference and the Central Kansas Market Vegetable Growers Workshop.

e) Implement a model program in the state of Kansas to be used for enhanced research and marketing of local wine similar to other state programs in Indiana, Missouri, Iowa, Illinois and Michigan.

2) Identification of strategies and funding needs to make fresh and affordable locally grown foods more accessible;

a.) Continue task force

Recognizing the complexity of local food systems, the task force recommends the continuation of the task force so that it may continue exploring opportunities to enhance local food production systems in Kansas.

b.) Support Kansas Department of Agriculture Marketing funding enhancement

Support KDA's Agriculture Marketing funding enhancement, which will provide additional business development and marketing support for the specialty crop industry and local food production systems including: Good Agriculture Practices (GAP) Cost Share, Organic Certification Cost Share, Farm to School, Central Registration of Farmers' Markets and *From the Land of Kansas* programs.

c.) Utilize Specialty Crop Survey to better understand current production capabilities and marketing needs in order to grow the specialty crop industry in Kansas

d.) Lower state food sales tax to 5.3 percent*

*Currently, food is not taxed at a rate different than any other non-exempt sales tax item. In 2008, the sales tax rate was 5.3%, which has increased since that time to 6.5%. There has been legislation introduced and considered regarding lowering sales tax on food, but none of this legislation has passed to-date.

**Tax Rate on Food
Current as of January 1, 2016:**

State	Tax Rate on Food
Kansas	6.500%
Colorado	0.000%
Nebraska	0.000%
Missouri	1.225%
Oklahoma	4.500%

e.) Encourage community gardens

Identify opportunities and models to support and create community gardens including municipal support for water, land and other local level resources in unserved and underserved areas (food deserts).

3) Identification of existing local food infrastructures for processing, storing and distributing food and recommendations for potential expansion; and

a) Feasibility study

Conduct a feasibility study to evaluate opportunities to enhance local food systems, including cold storage facilities in Kansas.

b) Economics and growth potential of specialty crops in the state

Complete specialty crop survey and identify potential areas for growth.

c) Expand on existing federal specialty crop block grant, include a state cost-share

Utilize completed specialty crop survey to advocate for additional USDA Specialty Crop Block Grant funds to support specialty crop research, business development and marketing.

d) New technology

Utilize online platforms (including USDA New Farmers website) to communicate information and opportunities to enhance local food systems with producers, consumers, institutions and others.

e) Aggregation

i) Food hubs

Identify existing food hubs and opportunities for expansion and creation of new food hubs and cold storage facilities.

ii) Produce auctions

Identify opportunities and models for produce auctions.

f.) Mobile processing

Explore opportunities and barriers of mobile processing units for both livestock and produce.

g.) Commercial/incubator kitchens

Support and promote the use of commercial kitchens by multiple entrepreneurs to create value added products as a way to develop new businesses and economic development in rural areas.

4) Strategies for encouragement of farmers' markets, roadside markets and local grocery stores in unserved and underserved areas.

a) Explore opportunities and solutions to overcome barriers within cottage food laws and processing plant regulations

b) Explore opportunities and solutions to overcome barriers for mobile food hubs, farmers' markets, and aggregate sellers in unserved and underserved areas

c) Lower food sales tax to 5.3 percent

*Currently, food is not taxed at a rate different than any other non-exempt sales tax item. In 2008, the sales tax rate was 5.3%, which has increased since that time to 6.5%. There has been legislation introduced and considered regarding lowering sales tax on food, but none of this legislation has passed to-date.

d) Encourage municipalities to adopt policies providing public spaces to host farmers' markets in order to support economic and community development in rural areas of the state

e) Encourage investment in infrastructure and/or buildings to support farmers' markets that extend the seasonal availability of use beyond outdoor areas

f) Promote the Kansas State University Center for Engagement and Community Development's (CECD) national Rural Grocery Initiative