

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman John Faber at 3:30 P.M. on January 15, 2008, in Room 783 of the DSOB.

All members were present except:

Representative Vaughn Flora

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Emalene Correll, Kansas Legislative Research Department
Ryan Hoffman, Kansas Legislative Research Department
Gordon Self, Revisor of Statutes
Kristen Kellems, Revisor of Statutes
Florence Deeter, Committee Assistant

Conferees appearing before the committee:

Adrian Polansky, Secretary, Kansas Department of Agriculture

Others attending:

See attached list.

The Chairman introduced two staff members, Kristen Kellems and Ryan Hoffman and welcomed Adrian Polansky, Secretary, Kansas Department of Agriculture (KDA), who introduced his wife Chris and attending staff members from the Department.

Mr. Polansky referenced the Department's official Annual Report and then reported on the State of Kansas Agriculture, "The Future is in our Fields" (Attachment 1). He said that in spite of sagging production of wheat and natural disasters, strong commodity prices supported the Kansas economy during the past year; he noted that the KDA is the coordinating agency to address animal and plant diseases, food safety, agricultural production, and public water supplies during any disaster, adding that the agency has created bridges to streamline communication among agencies and with the federal government.

Commenting on the bioeconomy, Mr. Polansky said that Kansas is a founding member of the North Central Bioeconomy Consortium, an alliance of 12 midwestern states dedicated to developing a regional bioeconomy to augment the resources of the region. (The 12 states have 50% of the nation's biomass supply.) He commented on the NC 506 Project to sustain corn ethanol production as well as other strategies to achieve energy security, such as biodiesel and E85 production. He noted that bioproducts produce jobs, especially in rural areas, citing the 640 permanent jobs created by ethanol plants in Kansas with an average annual salary of \$49,000 and such businesses as Ventria Bioscience in Junction City, which employs 15-20 individuals to process pharmaceutical rice. He stated that cellulose-source ethanol is on the horizon and that in the near future Kansas could produce over 800 bioproducts.

Mr. Polansky addressed several water issues. He compared water used to refine one barrel of crude oil (1851 gallons) with usage to create one gallon of ethanol (3-4 gallons). He stated that corn yield advances will continue so that, by 2030, a yield of 300 bushels per acre will be normal, resulting in significant savings in water usage, as will drought-tolerant crops. He encouraged continued research and development of biotechnology to attract "green-collar jobs," investment, and educational opportunities. He commented on the Republican River Compact, stating that Nebraska continues overuse of Republican River water resources. Noting that the Kansas Water Appropriation Act is the basis for managing water resources, he said that the IGUCAs (Intensive Groundwater Usage Control Area) provide an additional tool to manage water in areas with declining resources.

Regarding food safety, Mr. Polansky said that in 2004 certain food inspection functions were transferred to the KDA, a responsibility that has resulted in more thorough and efficient inspections. He noted a pilot program is in place, beginning on January 22, to test high-risk foods for pathogens.

Committee members posed several questions to which Mr. Polansky responded:

CONTINUATION SHEET

MINUTES OF THE House Agriculture and Natural Resources Committee at 3:30 P.M. on January 15, 2008, in Room 783 of the DSOB.

- Black and Beach Corporation, located in Kansas, is conducting research on the bacterial element in ethanol and developing a justification process for the consumption of water and carbon dioxide in ethanol.
- Self-sustained renewable energy could be free of government and state subsidy programs as investments in the future market is given enough time to make adjustments.
- The sale of corn earns ten cents more per bushel if delivery can be made within fifty miles of the ethanol production area.
- There are five bio fuel facilities under construction at the present time. The change in ethanol prices has contributed to more than that number going by the wayside.
- The production of pharmaceutical rice in Kansas was delayed by governmental indecision, weather conditions relating to the exact time for planting, and the higher cost of processing equipment.
- Kansas State University conducted a pilot project of planting rice and with the correct oversight, it is quite possible to grow in Kansas.
- Ventria has hired an agronomist to oversee the field production; an expansion of the product is expected over the next few years.
- Germination loss of seed among seed producers has impacted both farmers in southeast Kansas and the purchasers of seed like Monsanto.
- The potential wheat disease in southwest Kansas needs to be evaluated annually to keep it from becoming a major issue.

After brief announcements by the Chairman, the meeting was adjourned at 5:00 p.m. The next meeting is scheduled for Wednesday, January 16, at 3:30 p.m.