

## MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairperson Derek Schmidt at 8:30 a.m. on January 22, 2003 in Room 423-S of the Capitol.

All members were present except: Senator Umbarger, excused

Committee staff present: Raney Gilliland, Legislative Research  
Amy Van House, Legislative Research  
Lisa Montgomery, Revisor of Statutes  
Judy Swanson, Committee Secretary

Conferees appearing before the committee: Ted Zielke, Kansas Corn Commission  
Connie Fischer, Kansas Department of Commerce

Others attending: See attached list

Ted Zielke, Chairman of the Kansas Corn Commission presented their Annual Legislative Report. (Attachment 1) With lower production due to drought, he projected this year's revenue to be over \$200,000 below last year's revenue. The commission utilizes check-off funds to enhance corn demand. Ethanol production is an opportunity they are pursuing. Financial Statements are attached to his testimony.

Connie Fischer, Agriculture Marketing Division of Kansas Department of Commerce & Housing, introduced her staff members present. She gave an Agriculture Products Development Division FY 2002 review. (Attachment 2) She reviewed the dairy processing study, specialty crop grant program, technical assistance, and agriculture value added center. In her update for FY 2003 (Attachment 3) she noted that the budget was \$1.347 million as compared to \$1.372 in FY 2002. She summarized their International program, which was successful. She felt her division should stay within the Department of Commerce because they could better advocate for agriculture and products in Kansas, as well as across the globe. Committee discussion followed.

Surrounding states have larger budgets than Kansas for marketing their agriculture products. There is a small percentage of loans that are repaid quickly to the Department of Commerce as businesses succeed. The majority of the loans are with companies that take time to build and repay. There are 14 companies, which is a small percentage of total loans, that are no longer in business and will not repay their loans. Incentives for ethanol production must be looked at if it is to become competitive in Kansas.

Chairman Schmidt announced that Committee members were invited to attend the Commerce Committee

CONTINUATION SHEET

MINUTES OF THE AAA at TIME on January 22, 2003 in Room 423-S. of the Capitol.

meeting on January 24 for a presentation by Chuck Banks, State Director of USDA.

Senator Huelskamp moved to approved the Minutes of the January 15 Committee meeting. Senator Tyson seconded the motion, and motion carried with no opposition.

The meeting adjourned at 9:15 a.m.