

MINUTES OF THE SENATE AGRICULTURE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on January 18, 2006 in Room 423-S of the Capitol.

All members were present except.

Derek Schmidt - excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research

Lisa Montgomery, Office of Revisor of Statutes

Judy Seitz, Committee Secretary

Conferees appearing before the Committee:

Adrian Polansky, Secretary of the Kansas Department of Agriculture

Others attending:

See attached list.

Secretary Polansky introduced members of his staff present: Constantine Cotsoradis, Dale Lambley, Max Foster, Carole Jordan, Erik Wisner, Lisa Taylor and Dan Riley. He submitted the Kansas Department of Agriculture 2005 Annual Report. (A copy is on file in the office of the Legislative Research Department.) The Secretary told the Committee that the KDA is a regulatory agency serving all Kansas. KDA ensures a safe food supply; regulates the responsible use of pesticides and plant nutrients; protects the state's native and cultivated plants; ensures the integrity of weighing and measuring devices; and guards the beneficial use of the state's waters.

Mr. Polansky reported that Kansas agriculture produced a record corn crop, the second largest soybean crop and doubled the sunflower production. Kansas leads the nation in wheat produced, flour milled and grain sorghum produced. Kansas ranked number one in cattle slaughtered for 2005 (Attachment 1).

Some of the challenges for agriculture include increasingly high priced and uncertain fuel supplies, lost beef markets, safeguarding crops, food, and livestock from natural or manmade disasters and helping specialty segments of the agricultural industry grow and succeed. He said the progress of a 2007 federal farm bill is being carefully followed.

A variety of issues addressed by the KDA in 2005 were:

beef exports

testing of cattle

global marketing of Kansas products

effects of higher energy prices

management of water resources

settlement of lawsuits involving the Republican and Arkansas River

water structures

food safety

security of the agriculture system

assistance for cost of organic certification of state's organic producers

appointments to the Grape and Wine Industry Advisory Council

Governor Sebelius created the Rural Life Task Force to advise her about issues that affect rural Kansas. Agritourism was an area of major interest for the Task Force. Kansas was the first of the Governors' Ethanol Coalition's member states to receive a flexible fuel vehicle under a no-cost, one-year lease from GM.

Secretary Polansky said the KDA has received two new federal grants. The Food and Drug Administration awarded the KDA a three-year grant to increase feed inspections to prevent bovine spongiform encephalopathy (BSE). The U.S. Bureau of Reclamation granted the KDA just over \$230,000 to install flow meter instruments along the Republican River.

Secretary Polansky stood for questions.

CONTINUATION SHEET

MINUTES OF THE Senate Agriculture at 8:30 a.m. on January 18, 2006 in Room 423-S of the Capitol.

Chairman Taddiken introduced the following bills:

5rs1585 establishing the Kansas qualified biodiesel fuel producer incentive fund; amending K.S.A. 2005 Supp. 79-3425 and repealing the existing section. Senator Huelskamp moved to introduce the bill; seconded by Senator Pine. Motion passed.

5rs1586 relating to motor fuels; requiring motor fuels sold in state to contain ethanol or biodiesel. Senator Bruce moved to introduce the bill and seconded by Senator Lee. Motion passed.

5rs1633 concerning biofuels railroad terminals; providing for a property tax exemption; allowing issuance of bonds by the Kansas development finance authority for biofuels railroad terminals. Senator Pine made a motion to introduce the bill. Senator Ostmeyer seconded the motion. Motion carried.

5rs1646 concerning income taxation; relating to credits biofuels mixing facility. Motion to introduce the bill by Senator Bruce and seconded by Senator Francisco. Motion carried.

5rs1642 concerning taxation; relating to tax credits and exemptions; biodiesel fuel; amending K.S.A. 2005 Supp. 79-3606 and repealing the existing section. Motion to introduce the bill was made by Senator Lee and seconded by Senator Pine. Motion passed with one dissenting vote from Senator Bruce.

5rs1670 relating to income taxation; concerning tax credit alternative-fuel fueling stations; amending K.S.A. 2005 Supp. 79-32,201 and repealing the existing section. Motion to introduce the bill by Senator Francisco and seconded by Senator Huelskamp. Motion carried.

Chris Wilson, Kansas Horse Council, requested the introduction of a bill regarding the Kansas equine industry research and promotion act. Motion was made, seconded and passed to introduce the bill.

The meeting adjourned at 9:32 a.m. The next meeting is January 24.