

MINUTES OF THE SENATE AGRICULTURE COMMITTEE.

The meeting was called to order by the Vice-Chair Tim Huelskamp at 8:30 a.m. on February 5, 2002 in Room 423-S of the Capitol.

All members were present except: Senator Schmidt (excused)

Committee staff present: Raney Gilliland, Legislative Research Department  
Gordon Self, Revisor of Statutes  
Betty Bomar, Secretary

Conferees appearing before the committee:

Jamie Clover Adams, Secretary, Kansas Department of Agriculture  
Richard Jones, Executive Director, Kansas Association of Conservation Districts  
Leslie Kaufman, Associate Director, Public Policy Division, Kansas Farm Bureau  
Mary Odgers, Kansas Nursery & Landscape Association  
Doug Wareham, , Kansas Grain & Feed Association

Others attending: See attached list

Continue hearing on:

**SB 436 - Fees and inspection of dams levees and other water obstructions**

\_\_\_\_\_Richard G. Jones, Executive Director, Kansas Association of Conservation Districts, submitted written testimony which requests an amendment to exempt wetlands planned and constructed through the USDA, Wetlands Reserve Program. (Attachment 1)

**SB 437 - Regulation of plant pests, plants and plant products and plant dealers and certain agriculture commodities**

Jamie Clover Adams, Secretary, Kansas Department of Agriculture (KDA), testified in support of **SB 437**, stating the Plant Protection and Weed Control program ensures the health and protection of the state's natural and cultivated plant resources from high-risk invasive insects, plant diseases and weeds. KDA activities occur in three areas: safeguarding; export commodity assurance and pest management, control and eradication.

**SB 437** is the result of a review of the Plant Pest Act with representatives from the Kansas Nursery and Landscape Association and the Kansas Greenhouse Growers Association and KDA. Currently, all Kansas nurseries must be inspected and all nursery stock dealers are licensed annually. Nursery stock is defined to include only woody ornamental plants, and all nursery stock is required to be sold free of pests.

The review group recommended the following: (1) Replace the term "nursery stock" with "live plants"; (2) License all live plant dealers and simplify the inspection fee structure; (3) Establish one fee for all domestic and international inspection certificates; (4) Develop pest freedom standards based on risk to focus on the highest priorities, mainly imported plant materials; and (5) Provide KDA with civil penalty authority.

**SB 437** proposes the changes recommended by the review group which: sets a cap for the hourly inspection rate at \$100 per hour, however, it was a consensus that the rate be set at \$30 per hour; and sets the cap for the live plant dealer license at \$150, however, the consensus was to set the license at \$50; authorizes the Secretary to develop pest freedom standards and grants KDA civil penalty authority. **SB 437** repeals the Kansas Apiary Inspection Act.

Ms. Adams stated, **SB 437** benefits the live plant industry and Kansas agriculture because it allows KDA to focus on the greatest threats to the cultivated and natural plant resources. The proposed legislation reduces administrative overhead, establishes a license expiration date and simplifies the fee

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structure, reducing the number from nine to three; strengthens KDA's ability to ensure that Kansas commodities are accepted in the domestic and international marketplace. (Attachment 2)

Mary Odgers, Executive Secretary, Kansas Nursery & Landscape Association, submitted written testimony, in support of the proposed "review group" amendments to **SB 437**. The "review group" amendments are: Adopt a risk - based approach to plant pest regulation; replace the term "nursery stock" with "live plants"; license all live plant dealers; adjust fees - \$50 for a live plant dealer business license, expiring annually on January 31, \$30 per hour plus mileage for live plant inspections; establish pest freedom standards; and add civil penalty authority to KDA enforcement capability. (Attachment 3)

Leslie Kaufman, Assistant Director, Public Policy Division, Kansas Farm Bureau (KFB), testified in support of **SB 435, 436, 437 and 438**, which increases KDA fees and licenses. The KFB, at its 83<sup>rd</sup> Annual Meeting, strongly supported the state Meat and Poultry Inspection Program. The farmers and ranchers of Kansas want a strong KDA that is a vigorous voice for production agriculture. KFB supports a program designed to protect the public health of the people of Kansas. (Attachment 4)

Doug Wareham, Kansas Grain and Feed Association (KGFA), appeared in opposition to the passage of **SB 437**, stating the proposed fee increases will increase the cost to grain exporters from approximately \$7,200 to \$17,200. KGFA is in favor of establishing the fee structure by statute rather than by rules and regulations. Mr. Wareham stated that bordering states regularly accept "clean grade inspections" performed by USDA Designated Grain Inspection Agencies when phytosanitary certificates are issued at three of the four "export" cross-over points on the Mexico border. Further, USDA's APHIS will issue a phytosanitary certificate, based upon "clean grades" from the Kansas Grain Inspection Service for a \$50 fee plus a \$25 messenger delivery charge.

KGFA has determined that the phytosanitary inspection and certificate fee increase will not lead to increased revenue, but will encourage grain exporters to purchase these services elsewhere, further exacerbating revenue for the KDA Plant Protection Program. KGFA supports maintaining the current \$50 flat fee rate for phytosanitary inspections on grain export shipments and the present \$20 fee for phytosanitary certificates issued on grain exports until all options are thoroughly explored. (Attachment 5)

There were no further conferees to be heard on **SB 437**. The hearing was concluded.

### **SB 438 - Powers, duties and responsibilities of secretary of agriculture related to fees and penalties**

Jamie Clover Adams, Secretary, Kansas Department of Agriculture, appeared in support of **SB 438**. Ms. Adams stated that every program in the Department is touched by **SB 438** or one of its companion bills. The entire fee package increases KDA revenue by approximately \$2.27 million. KDA is expected to contribute to the general fund a shortfall of approximately \$500,000.

The Pesticide and Fertilizer program is responsible for enforcing Kansas statutes and regulations governing chemicals used to control pests or to enhance plant growth. **SB 438** proposes to create a new annual fee for nutrient utilization plans and increases all other existing fees except for: fertilizer inspection fees, fertilizer product registration, fertilizer blender licenses, and pesticide dealer registration. **SB 438** creates a pesticide and fertilizer compliance and administration fund, funded with 5 cents from the existing fertilizer inspection fee.

The Meat and Poultry Inspection Program ensures the safety and wholesomeness of meat and poultry products produced by Kansas slaughter and processing plants that are not under federal inspection. **SB 438** requires wholesalers and brokers to remit a registration fee and increases all other existing fees in aggregate 50 percent. The increased revenue is to be used to meet the basic responsibilities of the Inspection program and enable increasing the number of compliance checks on ready-to-eat products.

The Dairy Inspection Program ensures consumers safe, wholesome milk and dairy products by inspecting all areas of the dairy industry. **SB 438** repeals the counter freezer inspection program, giving Kansas Department of Health and Environment (KDHE) sole jurisdiction over counter freezer operations; and increases all existing fees in aggregate fifty percent. (Attachment 6)

The meeting concluded at 9:30 a.m.

The next meeting is scheduled for February 6, 2002.