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Date: February 24, 2021

To: Senator Dan Kerschen, Chairman, Senate Agriculture & Natural Resources Committee

From: Shahira Stafford, Kansas Cooperative Council

RE: Proponent Testimony on Senate Bill 143

Mr. Chairman and Members of the Committee,

On behalf of the Kansas Cooperative Council (KCC), thank you for the opportunity to support Senate Bill 143. The KCC is a statewide association that works on behalf of all types of cooperatively structured businesses in Kansas. The industries organized as cooperatives are vast, including agriculture, utility, financial and insurance.

Agricultural cooperatives often have grain storage operations and handle millions of bushels of grain each year. To protect member owners' commodities, cooperative grain elevators have always had the option to either be state licensed by the Kansas Department of Agriculture (KDA) or federally licensed by the United States Department of Agriculture (USDA). Our members that choose to be regulated by KDA's grain warehouse inspection program do so because they appreciate the quality and accessibility of the service they receive.

The KCC supports KDA's proposal in SB 143 to increase annual bushel capacity license fees in order to sustain the state option. KCC members see value in having the choice between state and federal licensing and support the continued existence of both programs. It's our understanding that without increased funding, the KDA would not be able to operate the state program, which would force all grain elevators to be licensed by the federal government.

Thirty of the 67 state licensed elevators are cooperatives. While the industry is willing to absorb a reasonable increase in fees, we also recognize that an 80% across the board spike will be a significant hit to many of our members.

For this reason, the KCC is also requesting a \$60,000 increase in the state general fund (SGF) appropriation for KDA's grain warehouse inspection program to help offset the dramatic jump in annual fees paid by the industry. This request is currently making its way through the legislative budgeting process.

Thank you so much for the opportunity to comment on Senate Bill 143 today; and we respectfully ask that you pass this bill favorably and support a slight increase in SGF funding toward KDA's grain warehouse inspection program.