

1320 Research Park Drive
Manhattan, Kansas 66502
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900 SW Jackson, Room 456
Topeka, Kansas 66612
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Jackie McClaskey, Secretary

Governor Sam Brownback

Local Food and Farm Task Force Meeting Minutes October 24, 2016

Task Force Members in attendance: Chair Ron Brown, David Coltrain, Dr. Cary Rivard, Representative Adam Lusker, and Ex Officio Member Senator Tom Hawk.

KDA staff attendance: Taylor Harms, Lynne Hinrichsen, Janelle Dobbins, Secretary Jackie McClaskey, Josh Roe, and Julie Roller. (alphabetical order)

Others in attendance: Phyll Klima, Robin Beans, Natalie Fullerton, Misty Lechner, Mary Fund, Nancy Brown, Ashley Wisner, Heather O'Hara, Kyle Hamilton, Scott Kohl, and Dallas Picolet.

Welcome: Meeting called to order by Chair Ron Brown at 9 a.m. All task force members were present, for the exception of Annarose Hart White, Loren Swenson, and Senator Dan Kerschen. Task Force and audience made introductions.

Lusker moved to approve the minutes, Coltrain seconded.

Lusker reported that he participated in the Douglas County Farm Tour. He stated that they were a model for local food and farms in Douglas County. Lusker reported that they have a lot of buy-in from the county with all of the stakeholders at the table. They toured a strawberry farm, a row crop farmer (also has turkeys) and a grape grower/winery. He stated that his takeaway was that they all stated that the challenge is finding someone to take over their business. He stated that it was a great tour with a locally-sourced lunch. The conditions in Douglas County also work well for specialty crops that may not be found in other parts of the state (temp, soil, etc.)

Brown stated that he has a direct market for pumpkins and has been very busy.

Julie Roller gave the Kansas Department of Agriculture presentation to the group. Presentation covered all of the things that KDA is doing in support of specialty crops and local food.

Nancy Brown stated that Kansas Farm Bureau has created a Facebook page for specialty crop growers.

Lusker stated that Kansas Farm Bureau's support is critical.

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Guest speaker, Scott Kohl, from HCC presented Kansas Wine Industry information to the group. This covered history, current projects, HCC information, future challenges, and vineyard/winery facts and figures. Kohl's handout is included in this email as an attachment.

Kohl's facts included that it wasn't legal to have a winery in Kansas in 1985; Kansas has between 500-600 acres of grapes today; there are 40 wineries today; 2 major groups in KS are the Kansas Grape Growers and Winemakers Association (has more winery members) and the Kansas Viticulture and Farm Winery Association.

Kohl stated that some people are a member of both, but we need both groups to unite and present to the legislature.

Break was taken at 10:15 a.m. and reconvened at 10:30 a.m.

Heather O'Hara shared tax information- specifically wine tax in other states.

Task Force asked Heather how many gallons of wine are sold in Kansas.

Lusker states that the Task Force's goal is to present something to the legislature and put something towards legislation. A wine tax seems to be "low hanging fruit" to create some revenue.

Rivard agrees.

There is discussion of a 10-cent increase (currently at 30 cents and there was discussion of moving it to 40 cents)

Lusker asks that Kyle Hamilton make up a draft of what that legislation would look like. Lusker also asks that we ask Secretary McClaskey for her thoughts on this particular subject and if KDA could administer the wine tax- 50/50 research and marketing.

Brown asks Kohl what his thoughts are on this.

Kohl asks that the task force keep Highland included in the wording if put to legislation.

Lusker states that it would not be a problem. Lusker also asks Heather to research alcohol taxes and if we have reached out to Libby in discussion of pumpkins.

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Julie leaves the room and finds Lynne Hinrichsen to report on the pumpkins.

Lynne reports there are no problems with the pumpkins.

Josh Roe spoke to the wine piece and says that KDA can handle that. He stated that distribution may look a little different, but we need to talk about who is a part of that body for distribution. Roe stated that it would probably function as an advisory board.

Lusker discussed with Secretary McClaskey the wine piece.

Secretary McClaskey stated that the first step is talking with the alcohol lobby. The task force needs to identify who has the final decision on how the money is spent and it needs to be clear. McClaskey asks if KDA is the pass through or does the Task Force need to make the stand-alone decision. What does the board that takes care of this look like?

Kohl advised to consider not having lobbyists on this potential advisory board. Kohl suggested the group pick 2 people from the 2 wine groups listed above to begin the new advisory board, as well as 1 KDA staff member, 1 KSRE staff member, and 1 HCC staff member.

Hamilton suggested the group look at Missouri's group and look at how that membership is made up.

Break for lunch at 11:30 a.m.

Meeting reconvened at 12:30 p.m.

O'Hara reviewed the morning discussion on the tax research she had completed.

Rivard stated that we need to have a standard unit of measure if imposing a tax (bottles come in different sizes, so a 5 cent bottle tax would not be uniform.)

Kohl commented that it may be more digestible to the industry for the end user to pay (example: 5 cents per bottle) versus the excise tax on gallonage.

Lusker proposed the group puts a tax on wine, but one that benefits the specialty crop industry as a whole (not just grape and wine).

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Lusker ensured the following statement was recorded: "We believe the consumer should pay this, not the producer. The one who buys it, pays for it ... not the producer.

A 5-minute break was taken.

When meeting reconvened, O'Hara and Hamilton recapped their goals for the next meeting. O'Hara will do specific research (as outlined in her notes and by the Task Force) and will bring it back to the group for the next meeting. Hamilton will bring a skeleton draft to the group with the missing pieces that the Task Force will need to fill in (needs pieces of policy to plug in).

Natalie Fullerton, Kansas Rural Center, spoke to their list of questions and suggestions. (KRC questions and KDA answers sheet provided following this document.)

Lusker asked Fullerton, "If there is one thing this group can put to legislation, what would it be?" Fullerton stated that was a great question and that the Rural Center would probably need to further discuss that response.

Lusker asked Fullerton if there is anything on the list that they can do without money.

Lusker stated that from KRC's list of questions, the biggest thing that could be done is keeping a task force going. He suggested that it would be made up of people that better understand the industry.

A short report in caucus was discussed (one-pager). Hawk stated that the group can distribute a one-page report on the desks of the legislators.

Lusker (directed at Brown) stated that the chairman can create a short report and pass it out to each office (not just the ag committees).

Lusker stated that asking to re-establish the task force is a piece of legislation. Hawk stated that the establishment of a "Local Foods Coordinator" is more of a recommendation, instead of a piece of legislation. Hawk stated that "the fact that KDA has a position like Harms is a good sign, but this is a budget issue."

Coltrain commented on KRC's question regarding a food sales tax- "Everyone would like a lower food sales tax." Coltrain stated that he believes it would be nice to have a lower food sales tax, but impose a very small tax that goes towards local food.

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Hawk stated that this may be a recommendation the Task Force could make; however, it is liable to be cut like many other things (the funds would not be protected).

Lusker suggested (based off of Coltrain's discussion) that the group make a recommendation to put 1/100th of a cent to local food out of food sales tax.

Hawk stated that he isn't saying the group shouldn't make a recommendation or support the establishment of a "Local Food Coordinator", but he has reservations about it being an actual piece of legislation.

Ashley Wisner, KC Healthy Kids, reported that they are working on a survey about removing sales tax on food. Ashley volunteered to bring the results to the next meeting.

Lusker and Brown would like Ashley to bring those results to the next meeting.

Hawk asked KRC if there is anything that the task force has not talked about that they feel they should discuss before they create a report.

Fullerton stated that they can look at it again, but the two items that they really want to stress is the re-establishment of the task force and the establishment of a Local Foods Coordinator.

Audience members stated that they support a re-establishment of the task force.

Lusker discussed what the task force would like to see at the next meeting. There was discussion of O'Hara and Hamilton being ready by the next meeting with the answers to the task force's questions. He stated that there is no need for lunch. KDA will bring granola bars and/or snack food. Lusker stated that he wants to see the state forester to discussing harvesting trees. The group stated that they would like to have work time to discuss the wine tax draft to discuss the following three questions:

1. Who collects?
2. Where does it come from?
3. Who administers it?

Lusker asked that we have the KDA Food Inspection staff members come speak to the Task Force at the next meeting about kitchen concerns and Farmers' Market Regulation (referred to Swenson's concerns with this).