



Kansas Cooperative Council / Kansas Grain & Feed Association

July 22, 2022

To: Mike Beam, Secretary, Kansas Department of Agriculture
From: Randy Stookey, Kansas Grain and Feed Association (KGFA)
Shahira Stafford, Kansas Cooperative Council (KCC)
Re: **Joint Industry Comments on the Notice of Hearing on Proposed Administrative Regulations, amendments to KDA Grain Warehouse Regulations, K.A.R. 4-25-2, et seq., as published in the Kansas Register, Issue 20, May 19, 2022.**

Thank you for the opportunity to comment on the changes to the Kansas grain warehouse regulations proposed by the Kansas Department of Agriculture (KDA). This testimony is submitted jointly by the Kansas Grain and Feed Association (KGFA) and the Kansas Cooperative Council (KCC).

KDA has proposed new regulations, amendments to existing regulations, and the revocation of certain regulations implementing the Kansas Grain Warehouse Law, K.S.A. 34-101, et seq., and amendments thereto. The proposed changes will implement recent changes to the Kansas Grain Warehouse Law, as well as implement current industry policies and practices and to provide guidance to industry.

KGFA is the state association of the grain receiving, storage, processing, and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state.

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.

Members of our associations have a direct interest in the purchase, public storage, handling, conditioning, marketing, and transportation of grain in Kansas, and therefore have a clear and direct interest in these proposed regulatory changes.

KCC and KGFA appreciate KDA working with the grain industry on the proposed changes to the regulations. KDA engaged in dialogue with our industry and accepted multiple rounds of comments. The proposed regulations presented to the committee today reflect multiple iterations of draft language and various amendments requested by industry.

Thank you for allowing us to submit our comments to express our support for the regulations, along with the following additional comments:

K.A.R. 4-25-1a. Definitions. No comment.

K.A.R. 4-25-2. Record retention. No comment.

K.A.R. 4-25-4. Storage space, exception. Regulation revoked. No comment.

K.A.R. 4-25-5. Storage liability reports. No comment.

K.A.R. 4-25-7. Public warehouse receipts. No comment.

K.A.R. 4-25-8. Scale tickets; inbound form. No comment.

K.A.R. 4-25-9. Scale tickets; outbound form. No comment.

K.A.R. 4-25-10. Grain bank grain. No comment.

K.A.R. 4-25-11. Allowance for the handling and storage of dry edible beans. Revoked. No comment.

K.A.R. 4-25-15. Definition of 12-month period. Revoked. The regulation is to be revoked as the law was amended to allow KDA to conduct inspections on an 18-month cycle, which industry supports as a cost-saving measure.

K.A.R. 4-25-16. Fees and charges. The regulation increases the bushel capacity fee schedule. The proposed fee increase was necessary to ensure the future fiscal solvency of the state warehouse program. We appreciate KDA amending the proposed fee schedule to reduce the amount of the increase following the agency's receipt of additional state general funds for the program.

K.A.R. 4-25-19. Licensed, conditional, and emergency storage. This regulation adopts current agency practice into a regulation, which will provide the industry with better, and more specific, notice of the rules concerning the temporary or emergency storage of various types of grain.

K.A.R. 4-25-20. Undermeasurements and overmeasurements. No comment.

K.A.R. 4-25-21. Unpaid grain contracts. Many changes were made to this proposed regulation to ensure consistency with current industry practices in Kansas and across the nation regarding unpaid grain contracts.

K.A.R. 4-25-22. Safety of facilities. We understand the agency's stated purpose behind this proposed regulation. However, we find this to be an unnecessary regulation of the facility construction and maintenance and duplicative of federal regulations by the U.S. Department of Labor's Occupational Safety and Health Administration.

K.A.R. 4-25-23. Disciplinary actions. No comment.