

# Kansas Rural Center Legislative Policy Watch

Issue No. 10, March 8, 2024

#### **Legislative Policy**

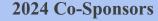
Watch is a weekly online publication of the Kansas Rural Center (KRC) during the State of Kansas legislative session. KRC is a private, nonprofit organization that promotes the long term health of the land and its people, through education, research and advocacy that advance an ecologically sound, economically viable, and socially just agriculture.

#### Policy Watch is

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Learn About KRC www.kansasruralcenter.org





### **Federal Farm Bill Policy/Funding**

The passage of the 2024 Farm Bill languishes on. Congress has until September 30 to finish the 2024 Farm Bill but disagreements are standing in the way. The U.S. Senate Agriculture Chair – Debbie Stabenow – said for the first time that she would rather continue punting on the Farm Bill than strike a deal with the Republicans to limit climate funding and social safety net programs. Chair Stabenow would prefer just extending the policies of the 2018 Farm Bill and not go backwards on feeding people and funding climate conservation. House Agriculture Chair G.T. Thompson plans to advance a Farm Bill through his committee in the coming months.

In terms of annual funding, Congress is struggling to pass a budget for this 2024 federal fiscal year. In the budget for USDA and FDA, advocates are pushing for enough funding to keep the Supplemental Women's, Infants and Children (WIC) program intact without imposing waiting lists or slashing benefits. In trade the Republicans want to establish a SNAP-choice pilot program in five states where SNAP benefits could only be used for 'nutrient dense' foods aligned with dietary guidelines (thus ruling out soda, candy and most processed foods). In addition, there are other Republican policy riders such as preventing USDA from promoting fair market competition for livestock and poultry growers both now and in the future. The funding for USDA has now passed the House (without the onerous policy riders) and should pass the Senate to avoid any shutdown. The increase funding of \$1 billion for WIC was included along with a rider to add the U.S. Secretary of Agriculture to the Committee on Foreign Investment in the United States (CFIUS) and provide \$2 million in funding to ensure the Secretary can notify CFIUS when agricultural land is sold to entities (China, Iran, North Korea and Russia) that 'may pose a risk to national security'.

The largest farm safety net portions of federal Farm Bill payments to farmers are crop insurance subsidies, commodity payments and adhoc disaster assistance. From 2017 to 2022, \$46 billion went to crop insurance premium subsidies, \$29 billion to commodity programs, and \$67 billion ad-hoc disaster assistance. The concentration of benefits across these programs are primarily found in the Midwest and Great Plains and correlate closely to the number of acres planted to covered commodities. Crop insurance subsidies started with the 1980 Farm Bill. Today the public pays on average 60% of a farmer's premium leaving just 40% paid by the farmer. Premium discounts in 2021 benefitted farm operations growing corn,

League of Women Voters of Kansas www.lwvk.org



Kansas Natural Resource Council



Climate & Energy Project



Kansas Farmers Union



Audubon of Kansas

LAWRENCE Bird Alliance

Lawrence Bird Alliance
https://www.jayhawkaudubon.org/

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soybeans, cotton, and wheat which took 78% of the subsidies paid. Kansas is one of 10 states receiving 64% of all premium subsidies. The federal crop insurance program is the only farm subsidy program without any means test or payment limit. The largest 10 % of farms with the highest annual crop sales nationally receive 65% of all crop insurance subsidies while the smallest 80% of farms receive just 23% of premium subsidies.

In regard to commodity programs, the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs primarily benefit the country's largest commodity farms - in the top 10 to 20% of crop sales. Congressional Budget Office estimates the farms growing corn, wheat, seed cotton, peanuts and rice received 95% of PLC payments in 2022. FSA distributed a total of \$29 billion in PLC and ARC payments to commodity farmers between 2017 and 2021 with Kansas being one of the 12 states in the Great Plains and American South receiving 65% of these commodity payments.

Farm subsidies enable the biggest operations to get bigger at the expense of smaller producers as benefits are siphoned to a limited number of commodity crops and relatively few farmers. Permanent and ad-hoc farm safety net programs have become programs that many depend on – and expect – to guarantee an ever-increasing profit. The result is a driving factor in the growing consolidation of farmland and the acceleration of rural depopulation by placing new, small to mid-sized, limited resource farmers at a competitive disadvantage when it comes to buying land.

#### <u>NSAC - UNSUSTAINABLE: STATE OF THE FARM SAFETY NET -</u> <u>February 2024</u>

Kansas is a perfect example. Kansas is 5th of the 50 states in receiving federal farm payments with 89% of the Kansas farm payments going to just 20% of the 56,734 farms in Kansas. 2,374 farms (4.3% of Kansas farms) accounted for 75% of the \$23.9 billion in total Kansas farm sales in 2022. The vast majority of these crop subsidies go for four crops in Kansas – corn, soybeans, wheat and sorghum. These taxpayer-funded commodity payments subsidize feed grains that give concentrated animal feeding operations (CAFO's) a clear market advantage over natural, grass-based livestock operations. These commodity subsidies drive the American diet of fat, sugar and salt at an incredible cost to the U.S. health system. Not surprising that the number of dairies in Kansas has declined from 2,165 in 1992 to 234 today (with 30 megs-dairies accounting for 75-80% of milk production). The same can be said of hog farms that have declined from 5,684 in 1992 to 907 today (with 108 accounting for 75% of pork sales). These commodity subsidies drive crop irrigation on 5,315 farms (9.5% of farms) irrigating 2.344 million acres (out of 20.3 million acres of harvested cropland) thus using 85%+ of all water in Kansas. There is no discussion under the Dome or by the water experts on the Farm Bill and its direct impact on cropping patterns in Kansas. This comes at a time when less than 10% of Kansas farmers are under the age of 35 and the future of the 'Kansas Family Farm' along with land ownership is not discussed.

Kansas Reflector - Flipping U.S. Farm Bill right side up will be better for Kansas, farmers and environment

#### **Kansas Tax Collections**

Kansas' tax collections in February fell \$33.1 million (6%) below expectations in February – this is the fifth month of decline. Kansas collected \$521.4 million in total tax collections in February which is \$28.4 million (5.2%) below the February tax collections in 2023. Individual income tax collections were \$46.4 million (21%) below estimates made in November of 2023. Retail sales and compensating use tax receipts were \$410.4 million (4%) below estimates. For the 2024 Fiscal Year (that ends June 30, 2024) Kansas has collected \$6.1 billion in tax revenue that is \$147.9 million (2.4%) less than projections. The Governor still wants a 'sustainable and fiscally responsible' tax cut plan that would benefit all Kansans without jeopardizing long-term economic growth and fully funding essential services.

## Foreign Ownership of Kansas Land

House Bill 2766 – the Kansas Land and Military Installation Protection Act – would ban China and other 'countries of concern' (Cuba, Iran, North Korea, Russia, and Venezuela) from owning land within 150 miles of military installations. This radius would effectively cover most of Kansas. The Legislature could add or remove countries from the list. This bill would require any 'foreign principal' from these countries that currently own land to divest their holdings. The Attorney General testified that he is very encouraged by the bill but has concerns over the legislation's structure. The Attorney General wants to ban all foreign entities from owning land without an approval by a new State Land Council. Rep. Ken Rahjes does not want to harm companies that have been good corporate partners in Kansas. He specifically mentioned Smithfield Foods (bought by a Chinese corporation in 2013) and Syngenta (bought by ChemChina in 2020). Syngenta has had - for two decades - an agricultural research facility dealing with wheat seed varieties just outside of Junction City. This bill would force Syngenta to divest of that property with no option to lease it back. Wind developers are also concerned that this bill bans leasing of land when a number of wind farm projects have foreign owners as the leaseholders. Florida and Missouri have foreign land ownership bans near military installations, but their limit is 10 miles not 150. It seems unlikely that any legislation banning foreign ownership of land in Kansas will be passed this year, but the idea will be back.

# Kansas Energy Plan/Policy

The Kansas Legislature continues to dawdle in passing a State Energy Plan. Lawmakers continue to turn their backs on the lower cost options of energy efficiency, wind, solar and utility-scale battery storage. The fossil fuel special interest groups continue their stranglehold and funding of the Kansas Legislature with proposals to keep less efficient, more costly older coal plants in the rate base (benefitting the 5 out-of-state investment equity holders which own 40-45% of EVERGY equities) – **SB 455** – and constructing a new 'fracked natural gas' power plant – **HB 2527**. This at a time when Kansas is virtually dead last in providing less expensive energy conservation programs and investing in utility-scale

battery storage to capture the abundant wind and solar resources in Kansas. Wind and solar have no volatile fuel costs such as coal and natural gas. These renewables use no water (compared to coal plants) but that factor is not properly valued in these times of drought. Kansas ranks in the top 10 among states with solar potential but ranks 44th in solar energy generation. Zack Pistora – KRC Board President and lobbyist for the Kansas Chapter of Sierra Club – wrote a terrific opinion piece for the Kansas Reflector on critical energy policy proposals:

Kansas Reflector - State lawmakers navigate a hodgepodge of energy policy proposals with no clear direction

# Help KHF End Hunger in Kansas!



The Kansas Health Foundation(KHF) is seeking innovative ideas to tackle food insecurity. They acknowledge not having all the answers, and this crowdsourcing initiative will challenge assumptions, help them consider new ideas and allow KHF to hear from as many Kansans as possible.

Learn More Here

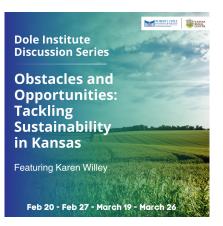
# **Upcoming Events**

During the legislative session, the <u>League of Women Voters of Kansas</u> (<u>LWVK</u>) hold weekly zoom calls at **4pm on Fridays** with their policy observers. The League has offered to open up these calls for interested Policy Watch readers. Cille King is the policy coordinator for the League.

You will need to email Cille at advocacy@lwvk.org to be added to the

notice list. Agendas come out a day or so before the call.





The Dole Institute series, "Obstacles and Opportunities: Tackling Sustainability in Kansas," will be held Tuesdays this spring at the Dole Institute. This four-part series will be moderated by our Spring 2024 Dole Fellow, and KRC board member, Karen Willey.

Some of the most refreshing events are weekly discussion groups at the Dole Institute. Hosted by Dole Fellows, each weekly discussion focuses on a specific topic or issue and features an expert in that field. These events are oriented toward KU students, but are also open to the public. All presentations will be

hybrid. These small discussion groups provide hands-on knowledge and direct interaction with experts.

Learn more here

Follow us on social media to stay up-to-date Kansas Rural Center's news and reflections from the Capitol!

Image: Image

#### See Previous Editions of Policy Watch

Contributors to KRC are automatically on the Policy Watch e-list, if they provide an e-mail address. KRC provides Updates to the sponsoring organizations including League of Women Voters of Kansas, Kansas Natural Resource Council, Kansas Farmers Union, Climate and Energy Project, Audubon of Kansas, and Lawrence Bird Alliance, who make the Updates available to their memberships.

If you are receiving KRC Policy Watch through one of these organizations and have questions, contact the organization directly.

If you wish to be removed from the KRC list, contact info@kansasruralcenter.org

For questions about Policy Watch content, contact Paul Johnson at pdjohnson@centurylink.net

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