Kan. Lawmakers Asked to Repeal Corporate Farm Laws

JOHN HANNA, AP Political Writer

TOPEKA, Kan. (AP) — Kansas' top agriculture official called Tuesday for the repeal of state laws restricting corporations' involvement in agriculture, a move that would reverse a policy enacted more than 80 years ago.

Agriculture Secretary Dale Rodman said the state's anti-corporate farming laws hinder the growth of agriculture and recruitment of new agribusinesses to Kansas. Also, in a letter to Rodman earlier this month, Attorney General Derek Schmidt questioned the constitutionality of at least one provision of state law.

"Our corporate farming laws need to be repealed," Rodman, a former executive with agribusiness giant Cargill Inc., said during an orientation session for freshman legislators. "Basically, our state is an under-utilized asset."

Eight other states — Iowa, Minnesota, Missouri, Nebraska, Oklahoma, Wisconsin, North Dakota and South Dakota — have laws restricting corporate farming, according to the National Agricultural Law Center at the University of Arkansas. However, the St. Louis-based 8th U.S. Circuit Court of Appeals, with jurisdiction in most of those states, has struck down voter-approved restrictions in Nebraska and South Dakota.

Kansas law generally limits corporate ownership of agricultural land to family farm corporations, family partnerships or corporations with 15 or fewer stockholders, who must all be Kansas residents. The state also generally requires at least one partner or shareholder to live on the land or be actively engaged in supervising the work.

There are exceptions to the law for feedlots and poultry operations. Also, counties can allow corporate dairies and hog farms within their borders, and legislators last year made it easier for them to do so.

Kansas has limited farm ownership since 1931, when it enacted a law barring in-state and out-of-state corporations from producing wheat, corn, barley, oats, rye or potatoes, or running dairy operations. Attempts to loosen restrictions in recent decades have met with fierce opposition from advocates for family farmers and some rural legislators.

Kansas Farmers Union President Donn Teske, a Wheaton farmer, said repealing the remaining restrictions on corporate farming would be "the end of family farming."

"Every time a 2,000-cow dairy goes in, it takes 20 dairy farmers out of a community," Teske said. "That is not economic development. That is rural depopulation."

But after meeting with lawmakers, Gov. Sam Brownback, a former Kansas agriculture secretary himself, told reporters the laws were of "questionable constitutionality."

"We're doing a lot of recruiting of businesses to come into rural areas, had quite a bit of success so far, but that is an issue for a number of them," he said.

Schmidt's letter to Rodman, dated Jan. 2, responded to the secretary's request for a formal legal opinion from the attorney general's office as to whether the state's anti-corporate farming laws are constitutional. The attorney general declined to issue such an opinion but said a provision allowing only corporations formed by Kansas residents to own land was "discriminatory."

The federal appeals court in St. Louis has ruled that such restrictions are unconstitutional because they interfere with interstate commerce.

"We cannot conceive a circumstance under which a court would find this provision to pass constitutional muster," Schmidt wrote to Rodman.

Schmidt's letter also said "there are reasonable arguments" that other parts of the state's anti-corporate farming laws are unconstitutional and advised Rodman to approach legislators about potential changes.

It wasn't clear Tuesday how receptive legislators are to repealing the state's remaining restrictions on corporate farming, and some were surprised that Rodman broached the idea.

But House Agriculture Committee Chairwoman Sharon Schwartz, a Washington Republican and farmer, said such a move would help small businesses, not just large ones.

"If we're going to be competitive — and to be able to grow agriculture — then we probably need to be opening up the state," Schwartz said.

Still, Kansas Farm Bureau President Steve Baccus, an Ottawa County farmer, said legislators should move cautiously.

"A lot more discussion needs to take place, more give and take, more understanding from all parties about where we are going to go and how we are going to get there," Baccus said.

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Associated Press writer Roxana Hegeman contributed to this report from Wichita, Kan.

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Kansas Department of Agriculture: http://www.ksda.gov/ [1]

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