

HCS SB 1017 -- AGRICULTURAL PROGRAMS

SPONSOR: Clemens (Loehner)

COMMITTEE ACTION: Voted "do pass" by the Committee on Agriculture Policy by a vote of 16 to 0.

Currently, the Department of Health and Senior Services and the Department of Agriculture are responsible for ensuring that there is appropriate and effective enforcement of the state milk standards based on an annual official rating survey. This substitute replaces the state agencies with the State Milk Board as the official rating agency and specifies that the surveys be conducted biannually. The board is required to adopt a method of making official rating surveys of all milksheds.

The substitute establishes the Family Farms Act which will allow small farmers who have obtained a loan for the purchase of breeding livestock a waiver of the interest payments for the first year. A small farmer will be eligible for one family farm loan, and the loan proceeds must be spent on one type of livestock. The maximum amount of a loan will be:

- (1) \$75,000 for beef cattle;
- (2) \$75,000 for dairy cattle;
- (3) \$35,000 for swine; and
- (4) \$30,000 for sheep and goats.

The Agricultural and Small Business Development Authority will administer the program and may charge a one-time fee of 1% of the loan amount. The substitute will allow a lender to apply to the authority for a tax credit in an amount equal to the amount of interest which would have otherwise been paid in the first year by the small farmer. Upon approval, the authority will issue a tax credit for taxes otherwise due in the year the credit was issued. The credit may be used to satisfy quarterly tax obligations, and any unused portion may be carried forward up to three years.

The substitute contains small farmer qualification requirements and specifies the duties of the authority in administering the program.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown in FY 2007, FY 2008, and FY 2009. Unknown loss greater than \$100,000. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.

PROPONENTS: Supporters say that the majority of other state's

milk standards are enforced by their respective milk boards, and the transfer of enforcement will provide statewide consistency in the official rating survey.

Testifying for the bill were Senator Clemens; Missouri Farm Bureau; and Missouri Dairy Association.

OPPONENTS: There was no opposition voiced to the committee.

Roland Tackett, Legislative Analyst