PRELIMINARY INTERIM REPORT

TO THE 72ND LEGISLATURE

THE SENATE NATURAL RESOURCES SUBCOMMITTEE ON AGRICULTURE

AND

THE HOUSE OF REPRESENTATIVES AGRICULTURE AND LIVESTOCK COMMITTEE

SENATOR BILL SIMS, CO-CHAIRMAN

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JOINT INTERIM COMMITTEE

THE AGRICULTURE COMMODITIES AND AGRICULTURE INDUSTRY
BLUEPRINT FOR THE 1990'S

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INTRODUCTION

The Senate Natural Resources Subcommittee on Agriculture and the House of Representatives Agriculture and Livestock Committee conducted a joint committee hearing for the agriculture industry in Texas in order to see what kind of problems the industry expects to face in the 1990's.

This hearing was conducted in the Old Supreme Court Room of the Capitol Building. The agriculture commodity groups, agriculture associations, and agriculture leaders within the industry were invited to testify before the joint committee. The joint committee heard testimony from a variety of experts including ranchers, farmers, aquaculturists, agriculture association leaders and several others in the agriculture industry. The committee also received written testimony from University leaders, entomologists, predator specialists, veterinarians, marine biologists, and state agency personnel.

In the following report, the Joint Committee on the Agriculture Industry presents a "blueprint" of what the different agriculture groups need, in a prioritized manner, from the Texas Legislature and/or state agencies for the 1990's to better enhance their part of the agriculture industry. Some of these needs will be handled through cooperation with state agencies; others will have to be dealt with by the legislature in 1991.

It is the desire of this joint committee that the information submitted to the 72nd Texas Legislature and state agencies involved in this report serve to enhance the economic position of the agriculture industry in Texas.
I. AQUACULTURE

A. Shrimp - In 1989 there were 800 acres of shrimp growout ponds and several small outdoor shrimp ponds using brackish salt water from oil field pits in Texas. Some of the problems facing shrimp farmers today consist of penalties to shrimp farmers for noncompliance with regulations. The reasons for noncompliance are usually economically disastrous for the farmer. Aquaculture would like state agencies to work with the industry while developing these rules.

1. If aquaculture could create a forum to discuss existing regulations and new ones that are needed for the future and do this through the newly created Aquaculture Liaison Office, this would help producer/agency relations a great deal.

2. Texas aquaculture needs to be recognized as an agriculture operation in order to be able to get crop insurance, disaster relief and loans. More research is needed by the universities.

3. Shrimpers would like for the Texas Department of Agriculture (TDA) to help promote Texas raised shrimp through the "Taste of Texas" Program.

4. One other problem that the shrimping industry has is the lack of a good feed source in Texas for their farm raised shrimp. Currently, Texas shrimp farmers have to go out of state to purchase their feed. (1)

B. Catfish - Texas is number one in the consumer market for farm raised catfish in the United States, but the majority of the catfish are grown and processed out of state.

1. Problems with catfish farming are the inspection of the meat. The catfish industry needs to adopt standards like the United States Department of Commerce or the National Marine Fisheries Service or develop a separate statewide "quality assurance plan."

2. The problem is that farmers need a better marketing infrastructure in terms of transportation of product to market and for more processing plants to be located in Texas.

3. Also, catfish farmers need help in educating consumers to the health, taste and value benefits of eating seafood. One other need is for a crop reporting program for all available species. Farmers need this through TDA. (2) (6)

C. Oysters - The oyster harvest is primarily dependent upon the public oyster reefs in the bays of the Gulf of Mexico. Some of the problems oyster harvesters are facing involve quality control. Quality
control is the first priority in oyster marketing since they are the most perishable commodity in seafood.

1. To help solve this problem, more cooperation and coordination between agencies and the industry is needed.

2. The accumulation of data on research with oysters is low. Farmers need more data through broad technical research and guidance from all agencies involved.

D. Tilapia - The tilapia fish is the most commonly consumed freshwater fish on earth. There are some 29 known species of tilapia worldwide. Currently in Texas, restrictions are placed upon all species of tilapia except two; they are the Tilapia Mozambique and the Tilapia Aurea and then hybrids between the two. The problem is that the best food fish is found in other tilapia species that are more superior to the Mozambique and the Aurea, but none of these are permitted in Texas waters because of environmental concerns.

1. The tilapia industry needs legislation to encourage the permitting and licensing of facilities to grow these faster maturing and higher yielding fish. (4)

E. Crawfish - This industry needs effective ways to deal with the rising cost of water and a more effective way to control water quality.

1. The whole aquaculture industry needs more input in the governmental process when the regulations and allocations of water resources are being determined.

2. More research technology for nutrition, harvesting, predator and disease control are needed along with addressing the regulatory licensing and permitting problems.

3. The crawfish producers need help from the state in developing more processing facilities in Texas and in some way overcoming the seasonal oversupply problem. This improvement would enhance better quality standards for crawfish and crawfish products. (5)

F. Other Species of Fish - Redfish, shrimp, etc., also have problems within their own industry. One such common problem is predator control. Predator control of aquaculture has become both a state and federal problem. The main predators are fish eating birds that are protected by both state and federal laws. These birds account for 30 to 60 percent of fish losses in the Delta area every year. Aquaculture must have state cooperation and help on controlling
these predators either through TDA or the Texas Parks and Wildlife Department (TPWD).

G. Aquaculture Financing - The aquaculture industry needs an educational process with lenders while the different species of aquaculture are demonstrating economic viability and payback ability. The current status of most Texas aquaculture is classified as high risk start-up financing. We recommend that an aggressive educational process be undertaken to make equity investors, lenders, and professionals aware of Texas aquaculture and its needs. (7)

II. CATTLE

A. Brucellosis - Cattlemen suggest that the committee encourage the state to work closely with producers when dealing with brucellosis. It should also work in a positive way and not enact any more regulations on the final control of this disease that are not already in place.

B. Water Rights - Texas ranchers need help in keeping water rights for surface owners in place. This could be accomplished with the help of the Texas Water Commission (TWC).

C. Regulations - Problems have also developed with the State Fire Marshall and the Department of Public Safety (DPS). The State Fire Marshall's regulations on above ground storage tanks and the Texas Department of Highways and Public Transportation (Highway Department) has established new weight limits on trucks that haul livestock on highways. These are burdens on the rancher that are causing economic problems with his business. These problems need to be worked out with the appropriate agencies. (8)

D. Taxes and Workers' Compensation - Cattle ranchers need help from the legislature to improve the economic environment for agriculture by making fair and equitable taxes and a more workable workers' compensation system to enhance the labor situation. Workers' compensation has put a hindrance on labor that is available at a cost factor that will allow profit.

E. Other Problems - These are just a few of the problems that livestock ranchers face for the 1990's. Some others will be competitive fuel rates and continuation of the sales tax exemptions for agriculture related products. (9)
III. CORN

A. Ethanol - The largest single untapped market in the world for corn is ethanol and ETB fuels as a blend with gasoline. Sales on ethanol are roughly 800 million gallons a year in the U.S. This is composed of about eight percent of U.S. automobile fuels. Texas needs to provide an incentive to produce this product. Ethanol would help our air quality, decrease farm subsidies, decrease the nations dependency on foreign oil, and improve the rural economy.

1. The State of Texas needs to encourage new facilities to make this product for automobile fuel and to encourage the use of the by-product from an ethanol plant by feeding it to livestock. It is a high protein product with a smaller ration level, lower cost and faster gain per animal unit. The corn industry suggests that the legislature pass some type of legislation to get corn producers a tax exemption incentive.

B. Food Safety and Aflatoxin Research - In the past year or so Texas has had an aflatoxin problem in the central and valley areas, mainly due to drought situations. The corn producers and grain warehouses have been working with Texas A&M on this problem. Their suggestion to a solution for this problem is to go to a state-wide check-off program in order to get funds available to continue more research on aflatoxin.

C. Grain Warehouse Grading - The industry needs a standard grain grading policy that is fair to everyone. We recommend that TDA address this problem through their own regulatory powers. (35)

IV. COTTON

The cotton producer of today needs state level encouragement and passive support, as opposed to financial aid for producer-controlled plans to better their own crop. An example is the Plains Cotton Improvement Program that is designed to breed into our cottons the qualities necessary to maintain and enhance its marketability in a future of advancing textile technology. This program is producer financed, but it is still dependent on the Texas Agricultural Extension Service (Extension Service) for a rapid transition from breeder to commercial production. For this reason and many others is why our Extension Service and our research institutions in Texas need and deserve continuous and adequate funding from the state legislature.
A. The State Soil and Water Conservation Districts - They also give valuable contributions to the agriculture industry. Cotton farmers believe that with the help of the State Soil and Water Conservation Districts, all water-related measures would be better off in the hands of the users in given areas and would be far superior to state-wide regulations. (18)

B. Environmental Issues - In the upcoming environmental issues that we will face in the 1990's, we believe that pesticide residue and pesticide restrictions should be looked at very carefully and from an economic focus on the producer. Water quality (wastewater), air control, and underground storage tanks will be an area where farmers are going to need to be consulted. (19)

1. Air Control - The biggest environmental concern in the ginning industry is the gin emissions. New EPA standards have still not answered all of their questions over how much emissions are associated with a cotton gin. The problem that the ginner will be facing is to make sure that there will always be a balanced decision made regarding gin emissions. (21)

C. Transportation Issues - Truck rate regulations and competitive control of entry into the industry is a big problem for cotton industry people. For example, cotton oil mills alone pay between $100 to $150 million in truck and railroad freight charges annually. (19) A solution would be to make tariff rates on intrastate trucking competitive with interstate rates. (21)

D. Cotton Module Haulers need relief from the truck safety regulations. The "module mover" as it is referred to in the industry, is a relatively new piece of equipment to the industry and does not fit in any existing category. The module mover can weigh up to 59,400 pounds. In this case it does not fit under the 48,000 pound and under farm equipment exemption regulated by the DPS. An exception needs to be made for this piece of equipment especially since it is seasonal.

E. Fertilizer Haulers - Another problem under the truck safety regulations is when a farmer has to get a permit from the RRC to transport a tank of fertilizer down the highway to his farm. When EPA included fertilizer on the hazardous materials lists, the condition was that DPS would include a pickup pulling a tank of fertilizer and they would be on the list eligible for labeling, which requires a permit from the RRC. The solution to this problem would be to change this quirk in the law by legislation and exempt farmers pulling a tank of fertilizer behind a pickup since they are not commercial haulers. (22)

F. Insurance Issues - Workers' compensation needs to penalize hazardous operators and reduce the burden on safe operators. The State Insurance Board needs to provide an incentive/penalties system, work
on medical care cost (health insurance) and work on liability insurance for agriculture producers.

G. Agriculture Statistics - The industry would like more available agriculture statistics. They need to be improved and upgraded with more funding and more employees. (19)

H. Sales Tax Exemption - It will be very important for the legislature in the 1990's to retain the sales tax exemption for producers on products purchased for use in production.

I. Funding - More funding is needed for research and educational programs. This is vitally important to remain competitive in the world market, especially funding for the Texas Food and Fiber Commission. (21)

J. Boll Weevil - Cotton is the number one cash crop in Texas today and has a value of $3 billion plus. The boll weevil is the number one pest in cotton today. It is responsible for an estimated $36.3 million in losses each year to Texas cotton producers.

1. Problems with the boll weevil diapause program from the Rolling Plains and Concho Basin are due to lack of funding. The Texas A&M Extension Service and the Texas A&M Experiment Station have a plan to control the boll weevil, but there are two problems:

   (a.) funding of the control program due to lack of TDA participation and;

   (b.) the Commodity Referendum Law has a loophole in it that allows for the producer to petition TDA for a refund if the producer so chooses to get his money back, and to disallow it would be unconstitutional.

2. The solution to these two problems is to encourage TDA to participate more in the program and for the legislature to pass a constitutional amendment to disallow refunds under the Commodity Referendum Law. (20)

V. FARM EQUIPMENT

A. State Sales Tax - Farm equipment dealers recommend that the legislature develop a procedure whereby the burden of proof is placed on the customer, rather than the dealer, when the Comptroller's office questions the validity of the sales tax exemption. One possible solution to make this easier would be to require all agriculture producers to obtain an exemption identification number that they would
present to the retailer at the time of the purchase before legally obtaining their exemption from sales tax. This would also provide an audit trail for the Comptroller to follow in the event questions arise on a questionable item sold.

B. Transportation - The overlength/overwidth exemption for transporting farm equipment to and from the farm to the dealership for repair or delivery is also a problem. We would like to explore this problem with the Texas Railroad Commission (RRC) in the future and see if the current regulations cannot be amended to satisfactorily address these problems being encountered by dealers and farmers. (38)

VI. FEED AND GRAIN

A. The State of Texas needs to pursue competitive freight rates on Texas agriculture products to help intrastate rates in comparison to interstate rates.

B. The feed and grain industry opposes all central notification legislation.

C. The industry also opposes all creation of interstate grain compacts in Texas.

D. They further believe that the matter of the ownership of groundwater rights be owned by the landowner who owns the surface rights. (30)

VII. FERTILIZER

A. The fertilizer industry would like to ask that scientific facts, research and professionally generated data be used to guide legislative and regulatory actions, rather than media or celebrity-generated hypes. The fertilizer industry feels that particular attention has been focused on them with regard to groundwater and nitrogen levels in the soil. There is extensive scientific data that proves that Texas has no nitrogen/groundwater problem. The industry would like for the legislature to take this data into account and make a reasonable suggestion on what to do.

B. The industry would like to see continued funding for the Extension Service and our university research institutes.
C. Transportation has become a problem for the fertilizer being transported around the state. Current RRC regulations of trucking and freight rates puts many Texas companies at a competitive disadvantage with out of state companies. This part of the RRC rate making system needs some serious adjustments. (29)

VIII. FINANCING

The financial institutes commodity is agricultural credit. Through 44 Federal Land Bank Associations in Texas, we are able to finance all agriculture needs of Texas farmers and ranchers. The Farm Credit Bank of Texas assures the legislature that they are striving to provide farmers and ranchers in Texas with both short-term and long-term credit at a competitive price.

A. Redistricting - This is an issue of concern because of the possible reduction of representatives and senators with rural backgrounds and business experience.

B. Water issues - Water problems are a concern of the Farm Credit Banks and they would urge the legislature to closely study the issue of establishing regulations statewide on all groundwater usage, and be attentive to rural usage regulations. (39)

IX. FORESTRY

In 1914 East Texas contained less than three million acres of commercial forest land. Today, due to professional forest management, Texas has over 11.5 million acres of commercial forest land in East Texas alone. The Texas Legislature has never recognized forestry as a part of agriculture. In some areas, forestry is recognized as a natural resource and in others it is recognized as agriculture. The Texas Forestry Association would very much like to see this issue addressed in the near future and become an official member of the Texas agriculture industry. (34)
X. FRUITS AND VEGETABLES

The Texas business climate has been responsible for the dramatic increase in fruits and vegetables from Mexico entering the U.S. through South Texas ports of entry. In 1982 and 1983, 641,180,000 pounds of fruits and vegetables crossed into Texas. During 1987 and 1988 the figure rose to 1,247,862,044 pounds. Farmers fully expect the figure to increase due to free trade with Mexico. (17)

A. Pests

1. The fruit and vegetable industry has a need for more biological control programs to replace the use of pesticides. Help is needed to develop a program for using sterile flies to control the Mexican Fruit Fly and the Citrus Black Fly parasites. The industry suggests that the legislature add more money to Texas A&M and other state agencies to expand the use of biological control techniques. It takes many years of research and development to develop an effective biological control program.

2. Texas needs an exotic pest detection program. Texas could do this by adding additional funding to a contingency plan for selected agriculture commodities and add funding to the highway agricultural inspection stations that were established by the legislature in 1989 under the appropriations bill.

B. Statistical Service - The fruit and vegetable industry needs more funding for the Market News Service and Texas Agriculture Statistical Service programs under TDA. There were concerns raised by a number of groups about the funding of these programs through TDA. The industry recommends that the legislature make sure that adequate funding is made available and that TDA not be able to transfer any of this money to any other TDA operation. (15) The state's vegetable industry has had no statewide statistics since 1986. This program is needed for research and economic reasons. We suggest that money be earmarked for agriculture statistics and not be moved around for other purposes. (17)

C. Processing Plants - Texas has a great need to attract more vegetable processing plants to Texas. This would allow the vegetable producers to have an outlet for their products that otherwise would not be marketable. The Senate and House Agriculture Committees need to encourage TDA to put more emphasis on promoting and marketing fresh products through the "Taste of Texas" program and others.

D. Vegetable Seed Arbitration Act - The vegetable industry needs TDA's support in effectively implementing the Vegetable Seed Arbitration Act that was passed by the legislature in 1989. (16)
E. Transportation - The transportation of fresh produce has become a problem in Texas since the deregulation of the interstate trucking industry. The problem with deregulation is that the legislature did not go far enough. For example, agriculture commodities originating in Mexico are interstate shipments and not subject to the RRC rates and regulations. Texas producers are being regulated out of business by our state legislature and state agencies while Mexico is given all the open doors to run over Texas producers with Mexican commodities.

F. Unemployment Compensation Tax - This tax is a major expense to the fruit and vegetable industry and is very unfair. The nature of the fruit and vegetable industry is seasonal and as a result, the industry always pays the maximum tax rate for unemployment compensation tax. There is absolutely no control over the seasonality of our products and employees who choose to work in the fruit and vegetable industry know that employment is temporary and they should therefore not be entitled to full compensation. We believe that the only realistic relief is to put a lower cap on the rate that employers of seasonal workers pay. (17)

XI. MEAT PACKERS

Throughout the last five years over 100 meat plants have closed in Texas. One contributing factor is the large amount of credit that is extended by meat operations.

A. Credit - Packing plants are in the middle since packers must pay for the animals they slaughter within 24 to 48 hours by law, but in return packers have no assurance that they will be able to collect when they turn around and sell their product to the grocery stores and restaurants. The producer of the meat is protected through the Packers and Stockyards Administration regulations; the grocery store receives cash when he sells his product; the restaurant receives immediate payment and the meat packer is not protected in anyway. The legislature needs to come up with a workable solution that will help keep this step, the meat packer, in the chain of food supply without economic hardships.

B. Transportation - Intrastate transportation in Texas is much more expensive than interstate shipments of produce. The meat packing industry suggests that a deregulation of trucking is needed, or at least an exemption for all agriculture products in Texas. Presently, the deregulation and exemptions include livestock on the hoof only.

C. Workers' Compensation - This is another problem for meat packing plants. The meat industry is known as a high risk industry.
Many insurance companies are dropping packing plants every day. We would like for the Texas State Board of Insurance to allow meat packing plants to self-insure but still be able to keep the common law defense. (37)

D. Wild Hog Processing - There is a problem with the processing of wild hogs killed in the field and brought to meat processing plants in rural communities. In previous years, wild hogs were processed the same way as other wild game, such as whitetail deer. The United States Department of Agriculture (USDA) passed a new regulation that says that retail markets can not accept wild hogs. Deer can still be processed in the retail market, but not wild hogs because it is too difficult to tell the difference between a domestic hog that has been slaughtered for retail and a wild hog that is to be processed for one individual and marked not for sale. The Texas Department of Health (TDH) has to regulate this new law and can only give an exempted permit to a meat market if they qualify with the guidelines set up by USDA. The meat market has to be in compliance with the General Food and Drug laws and regulations and if it is, then TDH can grant the market a custom processing license. In rural communities, this still seems to be a problem because some markets are run on a small scale and cannot afford to upgrade themselves to the exemption standards requested by USDA and TDH. (50) (51) (52)

XII. MILK PRODUCERS

A. Water Discharge - Dairy farms need more reasonable standards and regulations on the water discharge and runoff from their animal operations. The TWC is the regulatory agency over discharge and runoff for animal operations. The dairymen wish to see a phase-in approach to the problem to allow them time to work their program into their cash flow.

B. Sales Tax Exemption - Dairymen wish to keep the sales tax exemptions. They feel that any change would result in higher food costs to the consumer.

C. Research

1. The dairy industry needs more research work done on animal waste applied to land, nitrogen and phosphorus uptake of various plants and soil research.

2. They need a better way to deal with aflatoxin in grain and cottonseed. This research needs to be done by the Texas A&M Experiment and Research Stations.
D. Programs - The dairy industry needs more educational and youth leadership training programs to help the young people understand agriculture and how it works. (10)

XIII. PEANUTS

A. Fees - Peanut shellers in Texas are paying $5 more to TDA for testing of peanuts for aflatoxin than other states pay. Other states pay $28 per sample where currently TDA charges $33 per sample in Texas. This testing is mandatory and the additional charge of $5 per sample cannot be passed on by shellers in Texas anymore. We suggest that TDA lower the charge in Texas for the testing of aflatoxin to the same rate as other states.

B. Liability - Peanut shellers in Texas are legally liable for shelled peanuts they sell containing certain pesticides and insecticides which have been applied by the farmer. TDA needs to emphasize to peanut farmers to use only insecticides and pesticides that are approved and to follow the directions on the label. (23)

C. TDA Regulatory Program over Pesticides - TDA's regulatory program over the use of agriculture pesticides needs to be oversighted by the two agriculture committees in the Senate and the House of Representatives. Sufficient balance must be maintained in this program for farmers to continue to produce at a reasonable cost.

D. Inspection Service - The peanut industry needs a strong federal-state inspection service for peanuts. The grading of peanuts to determine quality factors and pricing is very important in the peanut industry. The industry needs a stronger participation by TDA through the inspection service they provide.

E. Laboratories - The state legislature needs to assist TDA in maintaining their field diagnostic laboratories and their aflatoxin laboratories operated in the peanut producing areas of the state. These labs are doing a good job for peanut growers and shellers by helping to enhance yields and quality.

F. Funding - The need to fund more money to the Texas A&M Experiment Station and to the Texas Food and Fiber Commission is great. These research institutions help improve our plant disease control technologies, seed quality and general production and harvesting techniques. The Texas Food and Fiber Commission is doing a good job in researching new product uses and increasing utilization for agriculture commodities. (24)
IXV. PORK

A. Exports

1. The pork industry has been experiencing problems in exporting market hogs to Mexico for slaughter. Mexico is requiring Texas producers to use TDA export pens for slaughter hogs. This poses a serious health concern for breeding stock that use the same facility.

2. The present charge of $1.50 per head for each slaughter hog going through the TDA export pens has become a problem. This price is not a fair charge. For example, Spanish goats are only $.15 per head. (11)

XV. POULTRY

A. Value Added - The Texas poultry industry needs more research on "value added" for Texas grown eggs. The industry needs help in developing a method to remove cholesterol from eggs and providing a convenient, inexpensive food source for minorities, children and the elderly.

B. Indemnity Program - The legislature needs to set up an indemnity program for poultry producers who have to destroy their whole flocks for disease reasons. This fund would be set aside for emergencies only and not used, except in cases of catastrophic disease when the Texas Animal Health Commission declares that all birds affected must be disposed of.

C. Check Off Program - Current egg check off programs in Texas generate around $700,000 per year to TDA. The poultry industry request that one-half of the check off money go to the direct promotion of poultry products and for research to enhance the "value added" of Texas eggs.

D. Research - The need for a Texas based research facility that will be a self supporting enterprise is very necessary in the future of agriculture. The Texas Poultry Federation suggests setting up a research facility at Texas A&M that would have an isolation facility for research on infectious diseases. The Poultry Federation believes an amount of $400,000 would provide this facility at Texas A&M on land already available to them.

E. State Agencies - Farmers would like to see a better coordination with the TWC and Texas Air Control Board when in the
process of making changes in the air and water quality regulations. The agriculture industry needs better timing and these rules should be in language more understandable to the industry.

F. Exports - The poultry industry requests the legislature to change the law to be able to move agriculture products across the Texas-Mexico border the way Texas currently is able to transport agriculture products across state lines, because Mexico can be a major force in Texas agriculture if Texas producers have this initiative. (12)

XVI. RABBITS

A. Inspection - Rabbit producers have to pay the state inspector a fee to be present at the time of processing. The other livestock processing facilities such as, beef, poultry, pork and lamb do not pay this fee. The producers would like for the legislature to exempt them from this charge also.

B. Grading - The lack of a quality grading system for rabbit meat is a problem for rabbit producers. Presently, the grading system is based on live weight. A 4 to 6 pound rabbit is classified as a fryer and 6 pounds or more is classified as a roaster. The age of the rabbit is not considered in the present classification. A suggestion would be to change the grading system of rabbits to be by age. (14)

XVII. SEEDS

A. Seed Release Policy - The Experiment Stations' Seed Release Policy program was passed and set up by the 71st Legislature to acquire royalties, licenses, fees, and other income from the new technology innovations of improved plant materials. This puts the Experiment Station, a publicly funded institution, in a position of direct competition with commercial seed businesses which do not have the large amounts of public funding. The seed industry would like to urge the legislature to repeal the Experiment Stations' Seed Release Policy program in 1991.

B. Seed Law - Variety-Not-Stated (VNS) labeling is allowed by the Texas Seed Law. The seed industry would like to recommend that the Texas Seed Law be amended to eliminate VNS labeling to restore incentive and justification for continued private and public improvements on seed.
C. TDA Seed Programs - TDA provides a reliable seed testing service in laboratories located across the state. Seed testing fees have been increased considerably in recent years. We suggest that the TDA seed testing laboratories should get their funding from the General Revenue Fund and not from fee increases to seedsmen. The fees are significantly high enough. This program has lost much of its value over the past years and needs rebuilding with more inspectors being added and given an adequate per diem to travel on.

D. Seedsman's Lien - The seedsman's lien has become a problem. Growers often buy seed on credit, plant it, go to the bank, pledge their crop as collateral and obtain an unencumbered loan. The bank then has first lien on the crop and the seedsman is an unsecured lender. To solve this problem we suggest that the legislature pass a law that would protect the seedsman by putting an automatic lien on the crop in the amount of the purchase price of the seed until the seed is paid for. (28)

XVIII. SHEEP AND GOATS

A. Predator Control - Predators are a big problem in the sheep and goat industry.

1. The first thing that the Texas Sheep and Goat Raisers' Association would like to see in the 1990's is for the Red Fox to be put back on the law books to be controlled and managed by P&WL from aircraft with permits.

2. Also, the chemical Compound 1080 has finally been allowed to be used in the Livestock Protection Collar (LPC), but the cost is too high due to TDA's regulatory powers over the certification of users and the actual use of the collars. Texas Sheep and Goat Raisers recommend to the legislature that the ranchers would like to set up a practical pooling program which would permit the program to work at less cost. Currently, TDA charges a $50 fee for a certification permit and requires every rancher and user to have the permit to use the LPC.

B. Brush Control - Farmers and ranchers need funds to implement the brush control and water control legislation that is already in place.

C. Water

1. The legislature needs to continue approving underground water districts at the local level.
2. The RRC needs to regulate more closely the use of fresh water for secondary recovery operation.

3. Sheep and Goat Raisers would ask that the legislature continue letting the surface owner maintain and control groundwater through private ownership.

D. Land Acquisitions - The state needs to put a control level on acquisitions of more land for parks in West Texas by P&WL. A suggestion would be for the legislature to recommend to P&WL to obtain these lands in areas near the urban population instead of 200 plus miles out in West Texas where they are not utilized but by very few recreationists. (13)

IXX. SOYBEANS

There are 450,000 acres of soybeans in Texas today and they will contribute about $75 million in farm income this year. Soybeans are the most important source of vegetable oil and protein in the world.

A. Research

1. Research is needed to develop soybean varieties that can withstand the extremes of Texas weather.

2. Research is also needed to examine production practices to reduce the risk inherent in soybean production. This is needed to lower the cost of inputs and to improve seed quality.

3. The soybean industry would like to see funding at the following research stations:

(a.) $100,000 at Overton, Texas;
(b.) $100,000 at Lubbock, Texas;
(c.) $100,000 at College Station, Texas;
(d.) and $200,000 at Beaumont, Texas.

B. Other uses - The soybean industry would like for the State of Texas to encourage the use of soyoil based printing inks for newsletters, brochures and newspapers printed by the state.
C. The industry would like to encourage TDA to help promote to consumers the SoyMark that the American Soybean Association developed to place on grocery products that contain soybean oil. (25)

XX. SUGAR

A. Tort Reform - Holding corporations or individuals liable for somebody else's decisions or actions is not right in the farming industry. Recommendations are that the legislature drop punitive damages and if punishment is sought, use criminal charges.

B. Product Liability

1. Texas product liability laws have severely impaired and hurt the development of new equipment for farming. The Legislature must create incentives for research on new technology that perhaps can solve some of the present problems.

2. The legislature should limit the liability on a product to five or ten years after it is manufactured.

C. Environmental Issues - Texans must take a "common sense" approach to environmental problems. For example, chemicals for agriculture must be viewed by the public like nitroglycerine, a potent explosive used on heart patients, to help mankind.

D. Water - Agriculture access to water should not be sacrificed at the expense of industrial and urban development if farmers and ranchers are to continue to feed and clothe the people of Texas. Counties can set up zoning guidelines similar to city zones and save some of the prime land for agriculture use, without strangling restrictions.

E. Research - Funding is needed for organizations and institutions that help agriculture research. This money is needed for:

1. finding ways to control particles in the air;

2. more specific or selective herbicides that do not affect adjacent plants;

3. more soil research to better understand how soil cleans itself;

4. breeding programs towards salinity tolerance, nutritive value and pest resistance; and
5. helping the general public better understand the importance of agriculture to the existence of the human race. (26)

XXI. WHEAT

Texas produced 187 million bushels of wheat in 1985. Today the record shows only 60 million bushels being produced in 1989. About one-half of this decline is due to producer participation in federal government programs and the other half is due to weather-related causes, disease and insect damage. Producers are encouraged that bio-technology may offer opportunities to transfer disease and insect resistance from other plants into quality wheat seed. Research toward this end would not only provide better quality and quantity of wheat, but improve the food quality and safety and would also decrease air and water pollution from the use of chemicals.

A. The wheat industry would like to request more studies dealing with safe use and disposal of leftover chemicals and of the containers.

B. Farmers suggest that any state mandated regulation of the use of farm chemicals be based on research information and not unfounded public opinion. (27)

XXII. WINE

Today Texas has some 25 wineries and some 6,000 acres of grapes with many of our wines already attaining world-class status. The overwhelming majority of persons legally entitled to consume alcoholic beverages do so in a responsible manner. Yet, virtually everyone realizes that there are serious consequences in society caused by alcohol misuse and alcohol abuse. Those people who seek to all but destroy demand for alcoholic beverages by making them so expensive through vastly increased taxation that the beverages will simply become too expensive to consume are known as neo-prohibitionist. They attempt to make any alcoholic beverage appear per se dangerous to one's health by attempting to legislate other labeling requirements designed to give the impression the beverage is tainted.

A. The wine industry would like to urge the Texas Legislature to be aware of the threat of the neo-prohibitionist's movement and when addressing problems of alcoholic beverage abuse to do so in such a
manner that will refrain from exacting measures detrimental to responsible alcoholic beverage consumption. (33)

B. Research - The wine industry needs more university research in several areas.

1. Cold stress research - under what conditions various types of vines can still produce and survive sufficiently.

2. Cold tolerance by variety - adaptability research.

3. Clonal selection - research on best wines, hardiness and production.

4. Irrigation - efficiency and timing.

5. Disease and insect studies.

C. Plant Certification Program - Texas needs assistance on a plant certification program from TDA. At this time, the wine industry has to get vines from California and New York who have plant certification programs in effect.

D. Taste of Texas - The industry would like for Texas wines to continue in the "Taste of Texas" campaign and continue funding from the state to make consumers aware of Texas wines. (36)

XXIII. Other

A. Crop Pests - The Texas Pest Management Association (TPMA) together with the Extension Service runs the Integrated Pest Management (IPM) program. IPM programs have an outstanding track record of reducing pesticide use, thus ensuring safer food, water and wildlife. Funding for TPMA's IPM programs has been significantly reduced over the past few years. The crop farmers need legislative support for expanded implementation of IPM through increased funding for TPMA and Extension Service IPM programs in the next budget in 1991. (31)

B. Farm Bureau - The agriculture industry desires to be compatible with a healthy environment, but criticism of our practices should come from competent experts who are not attempting to individually attract media attention or promote their self-interests.

1. The Farm Bureau recommends that more educational programs teach agriculture laborers safe chemical handling practices according
to label directions. This education should include proper storing, loading, mixing and/or applying of chemicals.

2. Another recommended educational program would be for producers. It would help inform them of their responsibilities for compliance with current pesticide laws and how they can achieve compliance at a minimal cost.

3. Water and water-related issues will be an increasing problem. The Farm Bureau suggests that:

(a.) the legislature specify the TWC as the lead agency for water and water quality;

(b.) the legislature should appropriate funds for a "state of the art" water laboratory and make it available to run water samples for individuals on a cost basis;

(c.) a study should be commissioned by the Governor to compile data establishing reference points for future monitoring of our water supply and quality.

4. As the debate on educational financing becomes more heated, agricultural use exemptions will be questioned. Members of the Farm Bureau would like the legislature to make sure that the agriculture use exemption is left as is because of its vital importance to the agriculture community.

5. The disposal of refuse and waste has become an ever increasing problem in rural Texas. The legislature needs to improve the restrictions on landfills in our rural communities. It should create regional landfills with operational costs shared by the counties and cities served. (32)

C. Farmers Union - The Texas Farmers Union has six recommended changes for agriculture.

1. Agriculture marketing needs help. The solution would be for the legislature to create an Interstate Agriculture Grain Marketing Commission. This commission will conduct studies and make recommendations for the marketing of grains.

2. TDA should be encouraged to expand on promoting Texas commodities.

3. Incentives should be provided by TDA for producers to participate in Farmers' Markets and cooperatives in urban areas.

4. Texas should direct its efforts toward establishing International Trading Partnerships with nations such as Mexico, Western Europe and Japan.
5. Food processing is another marketing area where Texas needs to expand. Texas is the second largest agriculture producing state in the U.S., but we only have six percent of the food processing business in the nation. This needs to be promoted through the Economic Development Commission.

6. The legislature should continue to expand existing programs such as the Rural Development Loan Fund, Texas Agriculture Finance Authority, Microenterprise Fund and the Rural Health Initiatives program. (41)
SOURCE OF INFORMATION

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