Approved: _____

March 4, 2005 Date

MINUTES OF THE HOUSE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on February 16, 2005, in Room 423-S of the Capitol.

All members were present except:

Representative Frank Miller- excused Representative Judy Showalter- excused Representative Jerry Williams- excused

Committee staff present: Raney Gilliland, Kansas Legislative Research Department Gordon Self, Revisor of Statutes Office Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Adrian Polansky, Secretary, Kansas Department of Agriculture Don Teske, Kansas Farmers Union (read by Vernon Deines) Doran Junek, Executive Director, Kansas Cattlemen's Association Gary Rieck, farmer-stockman, Burlingame, Kansas Wanda Kinney, Kansas Cattlemen's Association, and President, Kansas Agri-Women Brad Harrelson, State Policy Director, Governmental Relations, Kansas Farm Bureau Don Hineman, Past President, Kansas Livestock Association

Others attending:

See attached list.

Minutes of the February 7 meeting were distributed. Members were asked to notify the committee secretary of any corrections or additions prior to Friday, February 18, or the minutes will be considered approved as presented.

<u>Hearing and action on HCR 5005 - Concurrent Resolution urging USDA to delay the lifting of the ban</u> <u>on importation of Canadian beef</u>

Chairman Johnson opened the hearing on <u>HCR 5005.</u> Raney Gilliland reviewed the history of BSE in Canada and Washington State and the objective of the resolution urging USDA to delay the lifting of the ban on importation of Canadian cattle and beef.

Adrian Polansky, Secretary, Kansas Department of Agriculture, offered neutral testimony on <u>HCR 5005</u> urging USDA to delay lifting its ban on Canadian cattle and beef until the United States fully regains its worldwide market share for beef. He reported that a second requirement of the resolution involving enhanced investigation and surveillance has already been accomplished and USDA should be issuing a final report later this month. He reported that last week U.S. Secretary of Agriculture, Mike Johanns, announced that he will delay USDA's BSE Minimal-Risk Regions Rule to allow beef from animals over 30 months of age to come into the United States from Canada. The United States has been importing beef from Canada from cattle under 30 months of age since August, 2003.

The Secretary stated that in the short run, there may be some benefit to keeping our border closed to Canadian cattle, but we could be putting ourselves at a disadvantage in the long run. He noted that since the border closed in May, 2003, Canada has expanded its slaughter capacity to make up for its inability to export cattle to the United States. If we continue to keep our border closed, they will continue to build more processing facilities until there is no benefit to sending cattle to the United States for feeding and processing.

Secretary Polansky sees our greatest challenge being regaining our world market share. Our biggest overseas market is Japan. He reported that he and Governor Sebelius have strongly urged Secretary Johanns to try to closely tie the reopening of our border to Canadian cattle to resumed beef exports to Japan to minimize the impact on our livestock producers. He believes that should continue to be our goal. (Attachment 1)

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Don Teske, Kansas Farmers Union, submitted written testimony, read by Vernon Deines, in support of <u>HCR</u> <u>5005</u>. He stated that to reopen the Canadian border before USDA is convinced there is not a threat to American consumers will threaten the confidence Americans have shown for safety in our food supply. Also, to reopen the Canadian border before our markets are opened overseas, especially to Japan, is irresponsible as it will affect the balance of supply and demand. (Attachment 2)

Doran Junek, Executive Director, Kansas Cattlemen's Association, testified in support of <u>HCR 5005</u>. He shared the association's concerns for reopening the border with Canada to live cattle on March 7, 2005. He said the economic damage that will occur if a case of BSE should show up would be catastrophic to United States producers and the economy. Additionally, the estimate of 2 million head of live cattle imports will be disastrous to the market in the United States. (Attachment 3)

Gary Rieck, farmer-stockman, Burlingame, Kansas, appeared in support of <u>HCR 5005.</u> He expressed concern over balance of trade issues if the Canadian border is reopened to live cattle. He supports Japan's model of testing all cattle for BSE and related the Harvard Center for Risk Analysis's recommendation to get rid of all risk material from all cattle 30 months of age and up and not to put the meat in anything. (<u>Attachment 4</u>)

Wanda Kinney, Kansas Cattlemen's Association, and President, Kansas Agri-Women, testified in support of <u>**HCR 5005**</u> urging the USDA to delay the lifting of the United States ban on cattle imports from Canada. She also supports Country of Origin Labeling. (<u>Attachment 5</u>)

Brad Harrelson, State Policy Director, Governmental Relations, Kansas Farm Bureau, appeared in opposition to <u>HCR 5005</u>, as written. KFB supports the use of sound science as a basis for reopening our markets to ensure continued consumer confidence. <u>HCR 5005</u>, as written, seeks actions designed to avoid short-term economic harm to U.S. cattle producers, while ignoring the damaging long-term economic effect of protectionist trade policies. He asked that consideration be given to Representative Larkin's amendment. (<u>Attachment 6</u>)

Don Hineman, Past President, Kansas Livestock Association, testified in opposition to <u>HCR 5005</u>, but in support of the compromise reached with Representative Larkin. He asked the committee's support of the amended resolution that highlights the importance of science-based trade decisions while balancing the need to ensure BSE safety measures are being followed. He said the rest of the world is watching the way in which we treat Canada. We cannot expect other countries to base their trade decisions on sound science when we aren't doing the same with respect to Canada. (Attachment 7)

There being no other conferees, Chairman Johnson closed the hearing on <u>HCR 5005</u> and opened the floor for discussion.

Representative Bruce Larkin and Gordon Self, Revisor of Statutes, explained a compromise amendment to **HCR 5005**. It was explained that the amendment would eliminate language dealing with potential health risks; would itemize criteria to be met prior to the USDA implementing the BSE Minimal-Risk Regions Rule; and would encourage the administration to seek an immediate agreement to re-establishing beef and beef by-product trade with Japan, Korea, and Mexico, and apply economic sanctions if necessary. (Attachment 8) In addition, Representative Larkin proposed sending copies of **HCR 5005**, as amended, to the Kansas Congressional delegation. Representative Larkin moved his amendment. Seconded by Representative Feuerborn, the motion carried.

<u>Representative Feuerborn moved to recommend HCR 5005, as amended, favorable for adoption.</u> Seconded by Representative Svaty, the motion carried. Representative Light requested that his no vote be recorded.

Discussion and action on HB 2103 - Standards and requirements of commercial weighing and measuring devices

Chairman Johnson opened discussion on <u>HB 2103</u>. Raney Gilliland reviewed the bill for the committee.

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Discussion and possible action on **<u>HB 2103</u>** was deferred awaiting preparation of an amendment.

Discussion and action on HB 2053 - Premises registration and animal identification and tracking system

Chairman Johnson opened discussion on HB 2053.

Gordon Self, Revisor of Statutes, briefed the committee on **HB 2053** and noted that there were several technical changes that needed to be made to make language in the bill consistent. Representative Freeborn moved to make the necessary technical changes. Seconded by Representative Svaty, the motion carried.

Representative Powell moved to amend **HB 2053** to delete language in three sections of statute dealing with county payment or appraisal of diseased animals or the payment of fees associated with animals capable of communicating infectious or contagious diseases. The amendment would make the State of Kansas the responsible party unless payment or indemnity for such animals may be obtained from the United States government. (Attachment 9) George Teagarden, Kansas Livestock Commissioner, had no objection to the amendment, noting that USDA usually pays in these instances. It was noted that the title of the bill may need to be revised. Seconded by Representative Feuerborn, the motion carried.

Representative Knox moved to recommend **HB 2053**, as amended, favorable for passage. The motion was seconded by Representative Feuerborn. The motion carried.

The meeting adjourned at 4:30 p.m. The next meeting is scheduled for February 21, 2005.