Approved: March 4, 2008

Date

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman John Faber at 3:30 P.M. on February 14, 2008, in Room DSOB 783.

All members were present except:

Representative Clay Aurand - excused Representative Vaughn Flora - excused Representative Carl Holmes - excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department Hank Avila, Kansas Legislative Research Department Gordon Self, Revisor of Statutes Kristen Kellems, Revisor of Statutes Florence Deeter, Committee Assistant

Conferees appearing before the committee:

Carole Jordan, Director, Agriculture Marketing and Community Development, Department of Commerce David Schafer, Executive Director, Kansas Meat Processors Association, Manhattan, Kansas Homer Krehbiel, President, Kansas Meat Processors Association, McPherson, Kansas

John Yoder, Past-President, Kansas Meat Processors Association, Yoder, Kansas

Others attending: See attached list.

Informational Report from Kansas Meat Processors Association

The Chairman welcomed those officials representing the Kansas Meat Processors Association, as well as their wives, and thanked them for coming before the committee.

Carole Jordan, Director, Agriculture Marketing and Community Development, presented testimony giving historical background on the state's meat inspection program beginning forty years ago (<u>Attachment 1</u>). She indicated that state inspected meat processors have not been allowed to sell products across state lines. Over the years, the Kansas Department of Agriculture has been a staunch advocate of interstate meat shipment knowing there were economic benefits for Kansas farmers and ranchers, as well as meat processors. Ms. Jordan said that when Congress approves interstate shipment of state-inspected meat and poultry products, there are plans to help meat processors explore new opportunities in the market. She highlighted the points of the program on page two of her testimony. Ms. Jordan concluded her remarks by stating that the program should be operational by early 2009 and is dependent on funding of the Farm Bill.

David Schafer, Executive Director, Kansas Meat Processors Association, introduced Homer Krehbiel, President of the Association, who outlined concerns of meat processors (<u>Attachment 2</u>). He said that the increased regulations, higher costs of property insurance and liability, and the competition level with large corporations has discouraged many in the business of meat processing to close down their operations; the economic effect is community-wide.

Mr. Krehbiel indicated that more flexibility is needed in the regulations when the inspection is not related to food safety. He spoke highly of the relationship with the Meat Science Department at Kansas State University (KSU), saying the annual workshops provide opportunities for improving meat processing businesses. He said KSU faculty member, Dr. Liz Boyle provides support to individuals needing to establish a working format under the Hazard Analysis Critical Control Point, known as HACCP. A two-year grant from the Kansas Department of Agriculture is in place to provide an Extension Assistant to help in training anyone interested in the HACCP programs. Mr. Krehbiel's testimony highlights five areas processors are hopeful will be considered for continued funding of small family businesses in the meat processing arena (see attachment 2, page 1).

Ms. Phannensteil, Department of Agriculture, answered members' questions regarding state and federal inspections under HACCP by stating that the basic inspection is the same; the difference is, each facility

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writes a plan pertinent to their individual needs and inspections are then based on those plans. Mr. Krehbiel continued by explaining that the federal government has laws for large meat processing plants; he said the conditions for inspection of small plants need flexibility. He said that if the resulting inspection does not include a health issue, there could be some exceptions made in the inspection if it is a unique situation.

Mr. Constantine Cotsoradis, Deputy Secretary, Department of Agriculture, was called upon to address the issue of mold as a health risk. A policy developed jointly with the Department of Agriculture and the Kansas Meat Processors Association, provides opportunity to address the problem of mold. Mr. Cotsoradis said after three violations if the mold problem is not corrected, processors are shut down. Processors have three choices now–state inspection, federal inspection or custom operation; only by following the USDA guidelines can these choices remain. Mr. Cotsoradis said that to encourage more small business meat processors to operate in the state, regulation changes must be made at the federal level.

The Chairman thanked those who came to the committee to express their concerns regarding this issue.

Two bills previously requested were, without objection withdrawn:

Representative Feuerborn - regarding agricultural and farm trucks hauling lime; other vehichles hauling fertilizer.

Brandy Carter, Kansas Cattlemen's Association - regarding prairie dogs.

The Chairman adjourned the meeting at 4:30 p.m. The next meeting is scheduled for February 18, 2008.