

MINUTES OF THE House COMMITTEE ON Agriculture and Livestock

The meeting was called to order by the Chairman, Bill Fuller at
Chairperson

9:00 a.m./p.m. on February 14, 1984 in room 423-S of the Capitol.

All members were present except:

Committee staff present:

Raney Gilliland, Legislative Research Department
Norman Furse, Revisor of Statutes Office
Kathleen Moss, Committee Secretary

Conferees appearing before the committee:

Rep. Frank Buehler
Becky Crenshaw, Committee of Kansas Farm Organizations
Bernie Hansen, Kansas Meat Processors Association
Paul Fleener, Kansas Farm Bureau
Frances Kastner, Kansas Food Dealers Association
Tom Williams, Guaranteed Foods

Chairman Bill Fuller opened the meeting with hearings on HB 2831 concerning the prohibition of the practice of "bait" and "switch" in the sale of meat.

The first conferee was Rep. Buehler, sponsor of HB 2831. He distributed a prepared statement (Attachment No. 1).

Staff pointed out that the Board of Agriculture would be the agency responsible for the administration of this bill.

Becky Crenshaw appeared for the Committee of Kansas Farm Organizations in support of HB 2831. (See Attachment No. 2).

Bernie Hansen representing the Kansas Meat Processors Association appeared in support of HB 2831. His prepared testimony is Attachment No. 3.

Paul Fleener was recognized for the Kansas Farm Bureau. He said they support HB 2831 from the producer's point of view and wanted assurance the product is what it purported to be when it reaches the market place. He made a suggestion that he intended to be constructive assistance. The first line states it is an act related to meat, but the bill refers to a food plan and sale of frozen food in the bill, thus the title may need to be amended.

Frances Kastner appeared for the Kansas Food Dealers' Association in support of HB 2831. She distributed prepared testimony marked Attachment No. 4. She also stated they approve of the penalty provision.

Tom Williams was recognized. He represented Guaranteed Foods and distributed his testimony, Attachment No. 5. He was in support of the principle of HB 2831, but had reservations about the present form of the bill. He made recommendations for changes and submitted it in writing. See Attachment No. 6.

Chairman Fuller informed the committee the deadline for committee bill requests was Monday, February 20.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Agriculture and Livestock ,
room 423-S , Statehouse, at 9:00 a.m. on February 14 , 84.

Chairman Fuller informed the committee that there will be a meeting Friday to continue hearings on this bill and possible action. He invited the conferees to come back on Friday, and especially the Board of Agriculture since that is the agency named to administer this bill.

Chairman Fuller adjourned the meeting at 9:55 a.m.

The next meeting will be Wednesday, February 15, 1984 at 9:00 a.m. in Room 423-S.

STATE OF KANSAS

FRANK BUEHLER
REPRESENTATIVE, ONE HUNDRED THIRTEENTH DISTRICT
BARTON COUNTY
P O BOX 317
CLAFLIN, KANSAS 67525



COMMITTEE ASSIGNMENTS
MEMBER AGRICULTURE AND LIVESTOCK
JUDICIARY
PUBLIC HEALTH AND WELFARE

TOPEKA

HOUSE OF
REPRESENTATIVES

"BAIT AND SWITCH"

House Bill 2831 is legislation pertaining to consumer protection and should be of particular interest to the Agriculture and Livestock people of Kansas inasmuch as it relates to marketing of an agriculture product and that in turn effects the production of this agriculture product.

The necessity of this legislation has been impressed upon me during the 38 years I have been in the meat business, but in the past several years in particular I have noticed the difficulty the KDA had in an effort to control and eliminate this method of taking advantage of the consumer in our state of Kansas. The enforcement people of the KDA have repeatedly told members of industry in Kansas that they needed tools in order to do their assigned job of bringing violators of Fair Trade to prosecution. Last August, while attending a meeting of The American Association of Meat Processors in Portland, Oregon, I was directed into a program of communication with people from several other states who had knowledge and experience and had been involved in similar legislation and the implementation of this legislation in their respective states. Since I knew the existence of the problem, and that it was possible to address and solve it, in Kansas, I asked House Bill 2831 be drafted.

This legislation was researched by Ranney Gilliland, and drafted by Mary Torrence of the Revisors staff. Mary Torrence was assigned this by Revisor Arden Ensley since there was an interim period that there was no revisor assigned to Agriculture. Since some of the references in House Bill 2831 may be strange to you,

I'd like to explain House Bill 2831 to you.

SECTION 1. With the exception of FOOD PLAN on line 0024, this section would be self explanatory, but on line 0026 the language relates to food at no cost or reduced cost. This is a common illusion by "Bait and Switch" operators and is therefore significant to be addressed.

SECTION 3. This section is really the meat of this proposal and explains and attempts to prohibit various things that take place that mistreat and take advantage of the consumer.

(a) 1, 2 & 3. Address the practice of baiting the customer in and then discourages the purchase of the item used for bait, so a different more profitable product can be substituted, or they may not even have available the item used to bait the customer in.

(b) Price Representation (1) A price list is used to promote a product that is not applicable to the product or a change of price is made after the consumer has been baited in. (2) The amount of money to be saved on an item is mistated because it only is applicable to a product of a different quality. (3) May make an additional charge for services normally expected to be included in the sale. (4) May state the price of a product so that it cannot be recognized in its normal method of sale in determining the cost of meat purchases. Specifically price per pound which is the normal method of determining meat costs.

(c) Product Representation. (1) Referring to cuts by disguise, rather than by their common accepted name. (2) & (3) Use of the term U.S. to enhance the image of a products quality when it is not true or the use of a quality grade reference when it is to mislead or confuse the consumer. (5) & (6) Relates to the use of Quality and Yeild grades that are a service purchased from the USDA and relate to a products dollar value.

(7) Relates to adding less valuable parts of product to improve the profitability of the sale. (8) Ties in with 5 & 6 which would require the disclosure of the correct government grade if the product is represented as such. (9) Relates to a consumer being told they will receive one amount of product when in fact they will receive less than led to believe. (11) & (12) This relates to a side or a half of product advertised or sold to be certain that the consumer really receives what they are sold and that all sections are accurately described and weighed. (13) Bundles, etc. are to have each variety described by its own weight, to keep the consumer from receiving more of the less valuable cuts and less of the more valuable ones. (14) This will make it certain that "Free Merchandise" is really free and described by quantity and quality so the consumer will know the true value of the product and if it is in fact "FREE". Or the cost hidden in the purchase.

Now--The original draft of this legislation was presented to the agency that is responsible at this time to prevent this kind of consumer abuse, to the businesses that might have an interest in these type transactions, to certain legislators and to trade associations who might have an interest in this project.

Other than from one source, there was no significant request for change. The one source offered ten pages of comments and dissatisfaction. I would welcome any worthwhile proposals to make this a better law and not provide loopholes for special interests. I feel this is good legislation to protect the consumer and it should be applicable to all. There is nothing in this proposal that would bother a legitimate operator and if the shoe fits, all should wear it, even if it pinches at times.

Since the people who will probably enforce this are already in place, there should be little if any fiscal impact. Fact is, it should save the agency more money inasmuch as they have been spending much unproductive time in this effort.

This legislation is intended to be a tool to help the mechanism of FAIR TRADE--
CONSUMER PROTECTION---AND A BETTER MARKET FOR THE PRODUCER.

For Your Information



224 EAST HIGH STREET
ELIZABETHTOWN, PA 17022

March 23, 1983

Mr. Bernie Hansen
Flint Hills Foods, Inc.
P. O. box 435
Alma, Kansas 66401

Dear Bernie:

Many thanks for the copy of the article in the Manhattan Mercury on 'bait and switch' meat sales. It seems such a shame that you have such a good enforcement division but that quirks in the law make it so easy for the perpetrators to sign a consent order and then set up shop down the road.


The Illinois law seems to be among the most effective. I've enclosed a copy for your consideration. I have them from other states as well. Perhaps Frank Buehler...you know, the legislative guy...might want to introduce something on this order.

There's only one thing that I'd suggest if it can be done: that's to authorize a minimum prison sentence, without parole consideration, and a fine for any second time violators. A signer of a consent order could be considered a "second time offender if he's convicted.

Another good wrinkle is to make anyone signing a consent order provide a customer list (at least every two weeks) to the Department of Agriculture or the attorney general's office. This would give them a way to check on future violations of consent orders.

Any thoughts or ideas you might have would be appreciated. And, as always, if there is anything that we can do to assist you, please let us know.

Cordially,


Stephen F. Krut
Executive Director

SFK:MSM

Enclosures

cc: Norris J. Crouch, President
Larry Woodson
Nelson Buckles
Frank Buehler
James Macomber

P. S. Best wishes for a successful meeting. I'm only sorry that I won't be able to join you this year.

How The Illinois Association of Meat Processors Is Battling Bait & Switch



Editors Note: This article deals with the development and enactment of the "Bait and Switch" amendment to the Illinois Meat and Poultry Inspection Act. Bait and Switch is not only a problem on the local level, but on a national level as well. The American Association of Meat Processors is making a tremendous concentration on this "meat racketeer" business. Information on how you can join in the fight is available from AAMP: P.O. Box 269, Elizabethtown, PA 17022 [717] 367-1168.

Illinois Meat Processors have been concerned with "bait and switch" meat sales in the state for many years. Their concern is prompted by the unscrupulous, if not illegal, selling practices utilized by the "bait and switch" dealer. This concern prompted the Illinois Association of Meat Processors to approach the Illinois Department of agriculture, early in 1980, for assistance in curbing the unscrupulous practices of some meat dealers in Illinois. The focus of the Illinois meat processors complaint was the "bait and switch" operator who moves into an area and advertises beef at an unusually low price. Generally, extra "bonuses" are offered in the advertising of the product which makes the offer very enticing to the average consumer. The conditions for receiving the "bonus" items often are not spelled out in the advertising, and the consumer is not made aware of the conditions until the contract for the product is signed and he is obligated to pay for the product.

The "bait and switch" operation usually remains in the community only until his or her method of selling is discovered... These operations often leave the community with unpaid debts...

The selling practice of the typical "bait and switch" operation is based on the attractive advertising of the "bait" item which is generally a large, wasty prime or choice (yield #5) carcass. When consumers attempt to place an order they are discouraged from buying the "bait" carcass and are switched to purchasing a more expensive item. Another selling practice is to include "extra" cuts with the advertised product which are cheaper items such as flanks, plates and briskets, all at the same price as the richer quality cuts.

The "bait and switch" operation usually remains in the community only until his or her method of operation is discovered and sales are reduced. These operations often leave the community with unpaid debts owed to local businesses.

The Illinois Meat and Poultry Inspection Act provides for mandatory inspection of food plant operators. The definition of a food plant operator in the law includes the selling of meat or poultry to consumers for storage in home freezers, lockers, or other freezer units. The law also provides for truthful advertising, accurate weights and proper grade representation. The wording of the original statutes was very general in content and difficult to enforce because of the lack of specific wording relating to prohibited trade practices.

Informal discussions and meetings were arranged between Illinois Association of Meat Processor representatives and State Agriculture officials. These meetings included discussions on the methods of improving the present state law, studying other state laws which were obtained from officials in several states. The State of Wisconsin Consumer Trades Act was used as a guide from which to develop the proposed amendment to the Illinois Act.

The Board of Directors of the Illinois Association of Meat Processors and State officials decided to pursue a plan of action which included obtaining sponsorship for a bill to amend the Illinois Meat and Poultry Inspection Act in the 1980-81 session of the State Legislature. A committee of six processors were appointed to work with State officials in drafting the language for the amendment.

[Continued on next page]

INVESTIGATION REPORT

Bob Brueggemeyer
Maurice Wolfe

B&W Service Company

Subject(s): dba Colorado Beef

Fraud Case No: 830412

Address: 201 N. W. 16th St.

Date of Investigation: Subsequent to January 1982

City Grand Prairie State Texas Zip 75051

Investigator: Kenneth Basaham

Telephone: 214-262-1531

Purpose of Investigation: PC 532, Obtaining money under false pretenses; PC 182, Conspiracy; PC 382, Adulteration of food; PC 487, Grand theft; B&P Code 17500, False and misleading statements; B&P Code 12020, Use of incorrect weight or measure; B&P Code 12021, Taking false tare; B&P Code 12024, Selling in less quantity than represented; B&P 12024.1, Misrepresenting charge for service rendered; B&P Code 12024.2, Unlawful computation of value.

Details of Report:

On March 11, 1983, this office received a consumer complaint against Colorado Beef, 2787 Don Juan Way, Rancho Cordova, CA. The complainant stated the salesperson for this firm used a razzle-dazzle, flim-flam type of sales presentation which was meant to confuse and perplex the potential customer. The advertised item was disparaged and other, higher quality and much more expensive cuts of meat were extolled, typical of "bait-and-switch" type of scam. You assigned the complaint to me for investigation.

I contacted the Sacramento County Office of the District Attorney and was informed the D.A.'s office had previously received correspondence from the B&W Service Company, Grand Prairie, Texas. This letter informed the District Attorney, as agreed to in a permanent injunction in 1981, of their intention to open the retail bulk meat sales store known as Colorado Beef in Rancho Cordova, CA.

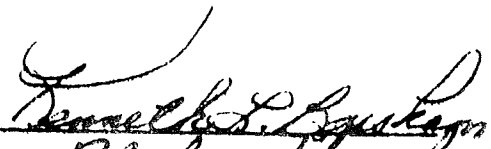
The principles of the B&W Service Company are Robert "Bob" Brueggemeyer, President and Maurice Wolfe, Vice President. Investigation has subsequently revealed Messers. Brueggemeyer and Wolfe were named as defendants in the following court actions;

- A. An Order for Permanent Injunction in Case Number 132,839 on November 29, 1972 in Contra Costa County in an action brought by Contra Costa and Alameda Counties essentially for the bait-and-switch type of scheme;
- B. Again Messers. Brueggemeyer and Wolfe were named in a Final Judgment and Decree as defendants brought by the Attorney General on behalf of the State of Washington in Spokane County dated December 24, 1974 for "bait advertising" and other violations of the Washington Consumer Protection Act;

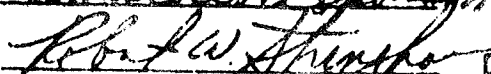
Investigator's recommendations:

Supervisor's comments:

Signature of Investigator:



Signature of Supervisor:



Date of review:

7/27/83

- C. The State of Texas Attorney General named Messers. Brueggemeyer and Wolfe as defendants in an action dated January 16, 1976 at Bexar County, San Antonio, Texas, in Case Number 76CI-645 in which the State of Texas was granted a Final Judgment and Permanent Injunction, again for engaging in "bait advertising" and other violations of state codes;
- D. Messers. Brueggemeyer and Wolfe were named defendants in a Final Judgment and Stipulation and was assessed total penalties of \$40,000.00 in Case Number 271254 in the Superior Court at Sacramento County, CA, on January 6, 1978 for conducting bait-and-switch operations at retail bulk meat sales stores in Sacramento, Rialto, Santa Fe, La Mesa, San Diego, Vacaville and Healdsburg, California. Brueggemeyer and Wolfe stipulated to other violations of the California codes;
- E. Brueggemeyer and Wolfe, again named as defendants in an injunction requested by the California Attorney General and ordered into effect in Case Number 245563-2 by the Superior Court in Fresno County on February 27, 1980, charging bait-and-switch tactics and six other violations of California Codes;
- F. A \$100,000 civil penalty was awarded Sacramento, Fresno and Orange Counties along with the California Attorney General in Final Judgment naming Messers. Brueggemeyer and Wolfe as defendants in Case Number 271254 at Sacramento, California, on August 20, 1981. Messers Brueggemeyer and Wolfe were again named specifically as defendants in this bait-and switch type of scheme;
- G. On October 15, 1982, Mr. Bob Brueggemeyer signed an Assurance of Voluntary Compliance filed as Case Number 8210-06444 in the Circuit Court for the County of Multnomah in the State of Oregon. This was obtained after the Oregon Attorney General filed a Notice of Unlawful Trade Practices and Proposed Relief for several unlawful trade practices and violations of Oregon law, including bait-and-switch.
- H. The State of Iowa Attorney General named Brueggemeyer and Wolfe as defendants in Case Number 18077 at Des Moines, Iowa, on December 18, 1975. The charges included the bait-and-switch scam in addition to other violations of Iowa Consumer Fraud Act. In the Order for Permanent Injunction, a \$500 penalty was assessed, court costs, and restitution to complaining parties in the amount of \$3,830.18;
- I. The Consumer Frauds and Crimes Division of the Office of Attorney General, State of Ohio at Columbus filed a Request for Permanent Injunction and Declaratory Judgment in Case Number 27551 in the Court of Common Pleas at Cuyahoga County on August 20, 1982 in which Messers. Brueggemeyer and Wolfe are again named as defendants. In This action the State of Ohio has charged the defendants of not only perpetrating the bait-and-switch sales scheme but with 16 other violations of the Ohio Revised Code;
- J. On April 26, 1983, I telephoned Mr. Henry Tenbrink, Office of the Texas Attorney General, San Antonio, Texas. He informed me the State of Texas has named Messers. Brueggemeyer and Wolfe in pending litigation for bait-and-switch and other violations of Texas codes. He said Brueggemeyer is president of 17 corporations registered in Texas.

- K. On March 28, 1973 the Solicitor General of the State of Georgia in Cases Number 11399 and Number 11400, charged two employees of a bulk meat sales firm owned by Brueggemeyer and Wolfe for defrauding an undercover customer by gross short weight. The charged individuals were convicted.

In the above noted litigations Messers. Brueggemeyer and Wolfe have been accused of engaging in the business of selling meats to consumers in a manner that violates the laws of each of the named states and which is adverse to the consumer rights of the citizens of that state in one or more of the following manner:

- A. Committing unfair or deceptive acts or practices in connection with consumer transactions;
- B. Representing that the subject of a consumer transaction will be supplied in greater quantity than the supplier intends;
- C. Representing that a specific price advantage exists, when in fact it does not.
- D. Committing unconscionable acts or practices in connection with a consumer transaction.
- E. Knowingly taking advantage of the inability of consumers to reasonably protect their interest because of the consumer's ignorance as to how the meat advertised by Brueggemeyer and Wolfe was to be sold.
- F. Knowingly making misleading statements of opinion on which the consumer was likely to rely, to their detriment.
- G. Making offers in writing or printed advertising or promotional literature without printing clearly and conspicuously, in close proximity to the words stating the offer, any material exclusions, reservations, limitations, modifications or conditions.
- H. Offering to sell goods or services when the offer is not a bonafide offer to sell the advertised goods or services
- I. Using statements or illustrations in advertisements which create in the mind of the consumer a false impression as to the grade, quality, quantity, size, usability, or which otherwise misrepresents the goods or services in such a manner that, on subsequent disclosure or discovers of the true facts, a consumer is switched from the advertised goods or services to other goods or services.
- J. Refusing to show, demonstrate, or sell the goods or services advertised in accordance with the terms of the advertisement.
- K. Discouraging the purchase of advertised goods or services in order to sell other higher priced goods or services.

- L. Disparagement of the advertised goods or services or other aspect of the goods or services.
- M. Failing to have available at all outlets under their direct control a sufficient quantity of the advertised goods or services at the advertised price to meet reasonably anticipated demand.
- N. Failing to give rainchecks to consumers after the original quantity of goods is exhausted, or refusing to take orders for the advertised price, to be delivered within a reasonable period of time.
- Q. Using a sales plan, a method of compensation for salesmen designed to prevent or discourage them from selling the advertised goods or services.
- P. Failure to present the consumer an itemized inventory of the total net weight of each of the various retail cuts sold and the total net weight of the entire purchase.
- Q. Failing to deliver to the consumer any delivery ticket containing the name and address of the defendant's business, the date delivered, and the quantity upon which the price is based, if it differs from the delivered quantity, the identify of the packaged item and the quantity delivered; and the count of individually wrapped packages as mandated by law.
- R. Placing advertisements which promote extensions of credit without complying with the disclosure requirements of the Truth-in-Lending Act, 15 USC 1601 Et Seq. and Regulation Z, 12 C.F.R. 226 and specifically the provisions of 12 C.F.R. 226.6(a) and 10(d)(2).
- S. Failing to quick freeze all meat and meat products prior to delivery to a customer as mandated by law.
- T. Defendants offered free and unconditional meat bonuses with beef purchases when, in fact, said bonuses were often conditional and often denied and not given to customers.

It was further charged that Brueggemeyer and Wolfe conspired to commit the violations wilfully in that the respondents knew or should have known that the conduct was in violation of the various state laws.

The modus operandi for the retail outlets in Northern California has been to saturate the marketing area through the U.S. Mail by forwarding 3½"X7" cards containing confusing and unclear advertisements to residences, post office boxes, etc. These cards are forwarded at intervals of approximately one week each to postal recipients in the marketing area. This means of advertising is very intensive and appears to be a very expensive type of promotion which appears out of proportion for the costs involved, especially for small, store-front types of retail firms. These advertisements used statements and illustrations to create in the mind of the consumer false impressions as to quantity, quality, size and usability of the advertised meat. It was intended to be an insincere offer meant to lure prospective purchasers to the retail stores,

thus, subjecting them to prepared sales presentations designed to discourage purchase of the advertised item and to switch customers to buy other merchandise at a higher price.

The advertisements stated a person must request an appointment, usually by telephone. When the prospective purchaser did telephone for the appointment, it has been reported by other governmental agencies that enough information would be gleaned to allow the store personnel to request a check be made on the prospective purchaser's credit ratings by the finance company which purchases the contracts. The contracts in the Sacramento area were purchased by Beneficial Finance, 10695 Folsom Blvd., Rancho Cordova, CA. After receiving the credit report, an evaluation would be made as to the maximum amount of credit a prospective purchaser could or would bear. Thus, one complainant in the Northern California area was charged \$1,500 for approximately 400 lbs. of meat. Another complainant was charged \$1,134 for an alleged hanging weight of 414 lbs. of beef and an unknown amount of delivered meat. It appears as if the customer was charged whatever the "traffic would bear."

Some customers thought they were purchasing a beef side, when they were in fact given different combinations of primal cuts. These primal cuts were then further divided into individual steaks in the presence of the purchasers. It would be requested by the seller that the man and wife both be present at the transaction. The purchasers would then be requested to assist in the wrapping of the meat in the interest of expediency. One spouse would then be asked to go into the office and sign the credit contract while the other spouse wrapped meat. After signing the contract that person would return and wrap the meat and the other spouse would be asked to go to the office and sign the credit contract. Only after taking delivery of the meat and departing the premises would they confer on the amount of beef purchased and the price paid. No reasonable opportunity was made by Colorado Beef employees to allow the purchasers to consider and comprehend representations made to them.

In no case was the delivered meat frozen prior to delivery as required in Section 28710.5 of the California Health and Safety Code. The customer would be asked to sign a disclaimer statement printed on an inventory sheet. This statement says the customer requested delivery in an unfrozen condition. The purchaser certifies he has sufficient freezer capacity to adequately freeze the meat before it deteriorates or had any spoilage. Most consumers are unaware a home freezer is not designed nor has the capacity to freeze bulk meats. A lowering of quality will occur in meats when placed in a home type freezer in an unfrozen state. A home freezer is only designed to maintain foods in a frozen state after having been previously fast frozen. One consumer damaged the compressor on his freezer and expended considerable amount of money for repairs.

If a consumer requested the advertised special, in some instances they were told by store personnel that was only an advertisement and the store never intended to have the items available for sale. In other instances the advertised item was intentionally disparaged and it became obvious the advertised items were intended to entice the consumer into a transaction different from that represented by the advertisement.

In one instance where the customer demanded the advertised special item, (Reporter Brad Willis, KCRA-TV, Sacramento) 200 lbs. of meat for "as low as \$63.47 per payment for 3 payments," he was charged for 313 lbs. of meat of which he received 190.5 lbs.

net weight--a loss of more than 39%. The average cutting loss for fat and bone is 27.5%. Included in this order was 65 lbs. of plate meat. The most undesirable and cheapest primal part of a carcass. This was 34.1% of the order received. The normal amount of plate meat in a beef carcass is 8.3% of the total carcass weight. Also received in this order was 29 lbs. of "brisket roast". This portion was USDA Prime grade and had so much fat and bone as to be totally worthless for food purposes. This amount of brisket was 15.5% of this order. A normal beef carcass contains 3.8% of the total carcass weight. The 34.1% plate meat and 15.5% brisket received in the total order amounts to 49.6% or almost half of the order which would be virtually useless if purchased by a family. After being charged for 313 lbs. of beef and receiving only 95 lbs. of edible meat, it is apparent defrauding was accomplished by design and purpose.

Another consumer, Judy Parks, 8276 Streng, Citrus Heights, CA, a welfare recipient received a total of 62 packages in an order. She received 26 packages of plate meat and seven packages of brisket for a total of 33 packages, more than 53% of the order. No weights were available since she was not given an inventory sheet of the meat received nor were the individual packages labeled with anything other than name of item contained. This consumer was physically crying because she had three children and no way could she utilize the plate and brisket for the purpose intended.

Another consumer, Ted Novak, 15 West Stewart Road, Lathrop, CA 95330, stated he purchased 380 lbs. of meat from Colorado Beef in Hayward, CA, for \$510. He received 192 lbs. at time of delivery, a loss of 50%, supposedly a cutting loss for bone, fat and waste. He returned the meat bought to the retail store and requested a refund of his money. He was told it would be forwarded to him by mail. He has not received his refund to date.

Another customer intended to purchase the advertised special for \$1.09 per lb. and was instead convinced by the salesperson, a Jim Butler, to purchase a "trimmed side of beef," for \$2.34 per lb., and, also the consumer stated in his declaration, "by fast talk and keeping us confused." The salesman explained a trimmed side of beef was a beef side with all excess fat removed and less the flank, plate, brisket and foreshank. I later inventoried his order and found it contained short ribs, flank and soup meat from the foreshank--all items from that area which was to be excluded. The complainant stated the salesperson attempted to sell him the remaining portion of excluded cuts at the reduced price of 0.89¢ per lb. According to the advertisement the consumer alleged he was to receive an 80 pound bonus pack of chickens, pork chops, steaks, all meat hot dogs and bacon. When the consumer requested the bonus, he was informed it would cost him .89¢ per lb. for those items. Several other consumers have complained this firm's stores have refused to provide the advertised bonus when the stated provisions have been met. This consumer was informed he had received ten pounds of New York and tenderloin steaks as a bonus, however, when his order was inventoried it was found that his order contained only one small package of tenderloin steaks containing two pieces. It did not contain any New York steaks or club steaks.

Some consumers were given a sales presentation in which the excessively fatter plate meat and brisket was disparaged by the salesperson by informing the consumer they were only good for the making of soap from the fat, the bones were only good in soup and the only the brisket could be used was if it was corned and since no one makes

soap or knows how to prepare corned beef, it would cost less if the consumer purchased a more expensive side of beef. When this scam was successful on the consumer, the order was then prepared from boxed meat containing primal cuts from different animals. These salespersons rely on the ignorance of the consuming public in that the public does rely on and believed these sales personnel to be trained meat specialists when in fact the salespeople were trained to knowingly take advantage of the inability of consumers to reasonably protect their own interest by virtue of the confusing advertising.

The advertisements by Brueggemeyer and Wolfe states, "90 days same as cash," however, some complainants said they received notices from a finance company a payment was due and payable after 30 days from purchase after the consumer had agreed to pay the account in full within 90 days.

When a customer did complain to the local retail store of dissatisfaction with their purchase, the local manager refused initially to take any action to satisfy the purchaser. When it was made known to the manager of the retail store the consumer had notified government authorities, it was at this time the manager made every effort to satisfy the consumer and granted all bonuses requested. Some consumers that had initially complained of having been cheated refused to give declarations or formal documented statements after receiving restitution. It can be inferred from the long established history of cheating, swindling and defrauding practices by retail bulk meat sales outlets owned and controlled by Brueggemeyer and Wolfe, that these actions are by design. It is apparent the policies and techniques used to defraud consumers emanate from a central location.

Brueggemeyer and Wolfe exhibit a lack of respect for and a contemptuous attitude towards the many court injunctions imposed on their illicit activities, especially in California. These two individuals have flaunted California laws for more than 10 years that this investigator is aware of--having investigated their activities since the early 1970's.

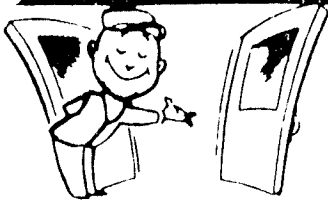
It is the opinion of governmental agencies, both federal and state, better business bureaus and many local district attorneys that the B&W Service Company owned by Brueggemeyer and Wolfe is only one of a coalition of businesses owned by a small group of persons. These persons have opened retail bulk meat sales outlets in many states with the intent purpose of defrauding the consumer by plying upon his total lack of knowledge of meat. These persons, aside from Brueggemeyer and Wolfe, are Wesley Green and Lewis Chadwick of G&C Service Company and C&C Service Company, Phoenix, Arizona. Green is reported to have been associated with Brueggemeyer in businesses in Florida, Oregon, Arizona, Kansas and Colorado. Also Frank Clark and Jim Clark, believed to be presently in Denver, Colorado. Jim Clark is the son of Frank Clark and believed to be the son-in-law of Brueggemeyer.

It has been reported that Brueggemeyer, Green, Chadwick and Fred Welborn were partners at one time in a firm known as Cattlemen's Meat Company, Denver, CO. Welborn was reported to be connected with Frank and Jim Clark at one time in Clark's Meats, Albuquerque and Farmington, NM; Phoenix, Arizona; Las Vegas, NV; and Monroe, LA. It has been reported by the Federal Trade Commission, Denver, Colorado, that employees interchange jobs from one company to another on a regular basis. The individual retail sales firms interchange names among the companies. For instance, retail sales stores in Washington State owned by Green and Chadwick was named Black Angus Meats while a retail store owned by Brueggemeyer and Wolfe in Fresno, CA was named Black Angus Meats. Green used the name Colorado Beef in Salt Lake City, Utah, in 1982

while B&W Service Co. has six known retail outlets in California presently using the name Colorado Beef.

There does appear, on the surface, to be collusion among the above named individuals to promote nefarious sales techniques throughout the whole of the United States. It has been reported by the Federal Trade Commission that due to the sophistication of sales techniques and the gross ignorance of the consumer of meat products and the lack of investigators experienced in this field that illicit sales in the retail bulk meat outlets is estimated to be one billion dollars per year. An informal survey of long established retail bulk meat sales firms in California reveals a drastic drop in business as compared to previous years. This is believed due to the loss of confidence by the general public in the integrity of the retail bulk meat industry caused by the negative impact created by the unscrupulous actions of firms under the control of Brueggemeyer, Wolfe and others. It will be many years before the bulk meat retail sales industry recovers from the damage inflicted by Brueggemeyer and Wolfe.

It is recommended this case be forwarded to the California Attorney General for possible civil and criminal prosecution.



7-DAY SALE!



Call TODAY! 942-1469 WE WANT TO SELL

PLEASE CALL FOR APPOINTMENT FOR ONE TRIP SERVICE
NO INTEREST OR CARRYING CHARGES
WITH APPROVED CREDIT

Prices and specials good for 7 Days Only!

FREE
10 Filet Mignons
To Anyone Making An Appointment Before Wednesday

FREE
10 RIB EYE STEAKS OR LEG OF LAMB TO anyone opening a 3-Month Account during Sale

50 tons we'll give you...

All Beef USDA Choice Yield 2

50 TONS of BEEF

During Our 7-DAY SALE

CHARGE IT!
90 DAYS SAME AS CASH

- NO MONEY DOWN • NO PAYMENT FOR 30 DAYS
- NO INTEREST OR CARRYING CHARGES
- WITH APPROVED CREDIT

U.S.D.A. CHOICE HIND QUARTERS
Plus Extra Plates & Flanks

\$1.09 Lb.

- T-BONE STEAK
- ROUND STEAK
- POTERHOUSE STEAK
- GROUND BEEF
- SIRLOIN TIP ROAST
- MINUTE STEAKS
- RUMP ROAST
- EYE ROAST
- ROUND ROAST
- And More

Aug. Wt. 150-250 Lb.

U.S.D.A. CHOICE BEEF SIDES \$1.05 Lb. Aug. Wt. 300-600 Lb.

Plus Extra Plates & Flanks

- LOIN STEAKS
- SIRLOIN
- POTERHOUSE
- T-BONE
- CLUB
- FLANK STEAK
- ROUND BEEF
- KIDNEY
- GROUND BEEF
- SIRLOIN TIP
- ROUND
- RUMP
- ROAST
- ROUND
- STEAK
- SOUP
- BONE
- GROUND
- BEEF
- RIB
- RIB STEAK
- SHORT RIB
- RIB ROAST
- LENGTH & ARM ROAST
- NECK
- BLADE
- CHUCK
- ROAST
- BRISKET & SHANK
- SWISS STEAK
- POT ROAST
- SOUP BONE
- STEW MEAT
- PLATE
- SOUP BONE
- COILING BEEF
- BAR-B-BQ
- ARM ROAST

- 50** PORK CHOPS FREE
 - 50** GROUND BEEF PATTIES FREE
 - 100** HOT DOGS FREE
- YOUR CHOICE OF ONE WITH PURCHASE OF QUARTER OR BUNDLE

FREE FREE FREE
100 FREE!
PATTIES, CHOPS OR STEAKS

- 50** Ground Beef Patties and
- 50** Pork Chops or
- 50** Chicken Fried Steaks

With purchase of side or more

Beef Chart

Section A
Round Steaks
Rump Roasts
Sirloin Tip Roast
Eye Roast
Minute Steak
Round Roast
Bottom Roast
Ground Beef
Soup Bone

Section B
Sirloin
Porterhouse
T-Bone

Section C
Rib Steak
Rib Roast
Debonico
Ribeyes, Beef Ribs
Ground Beef

Section D
Chuck Steak
Chuck Roast
Pot Roast
Neck Bone

Section E
Flank Steak
Ground Beef
Section F

Section G
Plate Beef
Ground Beef
Bolling Beef
Soup Bone

Shank
Brisket
Ground Beef
Soup Bone

All orders include extra plates & flanks for ground beef & soup cuts. Types & amounts of cuts obtained depend on customer's cutting preference & size of beef. All beef sold hanging weight subject to weight loss. % of trim loss will depend on customer's cutting and processing instructions. All free items with purchase.

FREE
10 T-BONE STEAKS to the FIRST 10 Customers CALLING IN TODAY 942-1469
If lines are busy...keep trying

U.S.D.A. CHOICE PACKER TRIMMED BEEF
2.29 Lb. to 4.59 Lb.

PRICED ACCORDING TO THE CUT DESIRED AND THE VOLUME PURCHASE

CALL
942-1469

M-F 10-8
Sat 9-4
Sun Closed

WE WELCOME FOOD STAMP SHOPPERS

VISA
Master Charge

U.S.D.A. CHOICE, Bundle No. 1 LOIN & RIB \$55.53 For Payment for 3 Payments

- Sirloin Steaks
- Porterhouse
- Steaks
- Club Steaks
- T-Bone Steaks
- Rib Steaks
- Filets
- Strip Steaks
- Rib Roast
- English Cut
- Round Steaks
- Minute Steaks
- Small Steaks
- Rump
- Roasts
- Plate Meat

U.S.D.A. CHOICE, Bundle No. 2 ROUND & RIB \$49.83 For Payment for 3 Payments

- Club Steaks
- Round Steaks
- Rib Steak
- Small Steaks
- Amount of Ground Beef
- Sirloin Tip
- Round Steaks
- Minute Steaks
- Rump
- Roasts
- Plate Meat
- Bolling Beef
- Beef Cubes
- Eye Roasts
- Round Roasts

U.S.D.A. CHOICE, Bundle No. 3 RIB & CHUCK \$41.25 For Payment for 3 Payments

- Club Steaks
- Rib Eye Steaks
- RIB ROAST
- Short Ribs
- Blade Roast
- Shoulder Roast
- Ground Chuck
- 7-Bone Steak
- Chuck Steak
- Shoulder Steak
- Sansclass

Example 140 lbs. USDA Choice, Bundle No. 1 at \$1.10 would be \$154.00 Cut From Sections B, C, E, F

Example 130 lbs. USDA Choice, Bundle No. 2 at \$1.15 would be \$149.50 Cut From Sections A, C, E, F

Example 181 lbs. USDA Choice, Bundle No. 3 at \$1.15 would be \$208.15 Cut From Sections C, D, E, F, G

CHOPPING BLOCK
We Chop Beef Prices
4925 W. Central
942-1469

son said. ...
m. Monday through Friday.

**E.P.P.
SPECIAL
REPORT**

BEEF
**A Nutritional
Value**
Serve it often.

30 Lb. Economy Beef Bundle

Includes	Meals For A Family Of Four
Boneless Round Steak (4 Pkg.)	4
Short Cut Steak (2 Pkg.)	1
Beef Roasts (4)	4
Lean Ground Beef Five (2 Lb. Pkgs.)	10
Total Meals	19

Price \$52.95
Tax 2.12
\$55.07

Cost Per Meal \$2.90

**(Bonus Special) One Frying Chicken FREE
with Purchase of 30 lb. Economy Beef Bundle.
While 25 last. Offer Good Jan. 30 through Feb. 4.**

**TIMED TO FIT YOUR
SCHEDULE**

**Open 8 a.m. to 5 p.m.
Monday - Saturday**

OLD FASHIONED MARKET
Ellinwood Packing Plant, Inc.
West Santa Fe

316-564-3156

Committee of . . .

Kansas Farm Organizations

Becky Crenshaw
Legislative Counsel
Box 4842
Topeka, Kansas 66604
(913) 272-1271

Testimony of the
COMMITTEE OF KANSAS FARM ORGANIZATIONS

with respect to

Kansas Meat & Poultry Inspection

presented by

Becky Crenshaw
Legislative Representative

to

House Committee on Agriculture & Livestock

Rep. Bill Fuller, Chairman

February 14, 1984

Mr. Chairman and members of the committee, my name is Becky Crenshaw. I am here to represent the Committee of Kansas Farm Organizations in support of HB 2831. The Committee of Kansas Farm Organizations consists of 20 agriculturally oriented organizations, the purpose of which is to discuss issues relevant to the ag sector and to implement those programs on which accord can be reached.

The Committee of Farm Orgs. voted to support HB 2831 because they understand the inability to delineate the producer's interests from the marketer's interests. The very structure of our organization indicates the growing cooperation between agribusinesses and producers. Our membership includes the Kansas Meat Processors, the Kansas Pork Producers, and the Kansas Livestock Association which indicates an awareness of the necessary interaction between all sectors of society to get food products from the farm to the table.

All of this is leading to one point. It is of utmost importance to the grain dealer, the livestock producer and the meat processor, that red meat consumers remain satisfied with their purchased product. Defrauding practices undermine the very markets different producer groups are attempting to establish.

As the meat industry feels the present Consumer Protection Act is not sufficiently specific in its application to meat and frozen foods, our organization is supporting this effort. Experience has shown that perhaps a highlighting of

this problem through greater specificity will lead to fewer incidences of illegal marketing.

As we stressed last session when discussing the funding of state meat and poultry inspection, it is imperative that consumers have the highest confidence about the quality and wholesomeness of the product which they purchase. Without such confidence, there will be no strong and stable markets.

We ask for your support on this legislation.

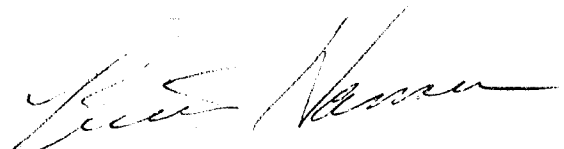
KMPA KANSAS MEAT PROCESSORS ASSN.

February 14, 1984

Testimony on House Bill No. 2831

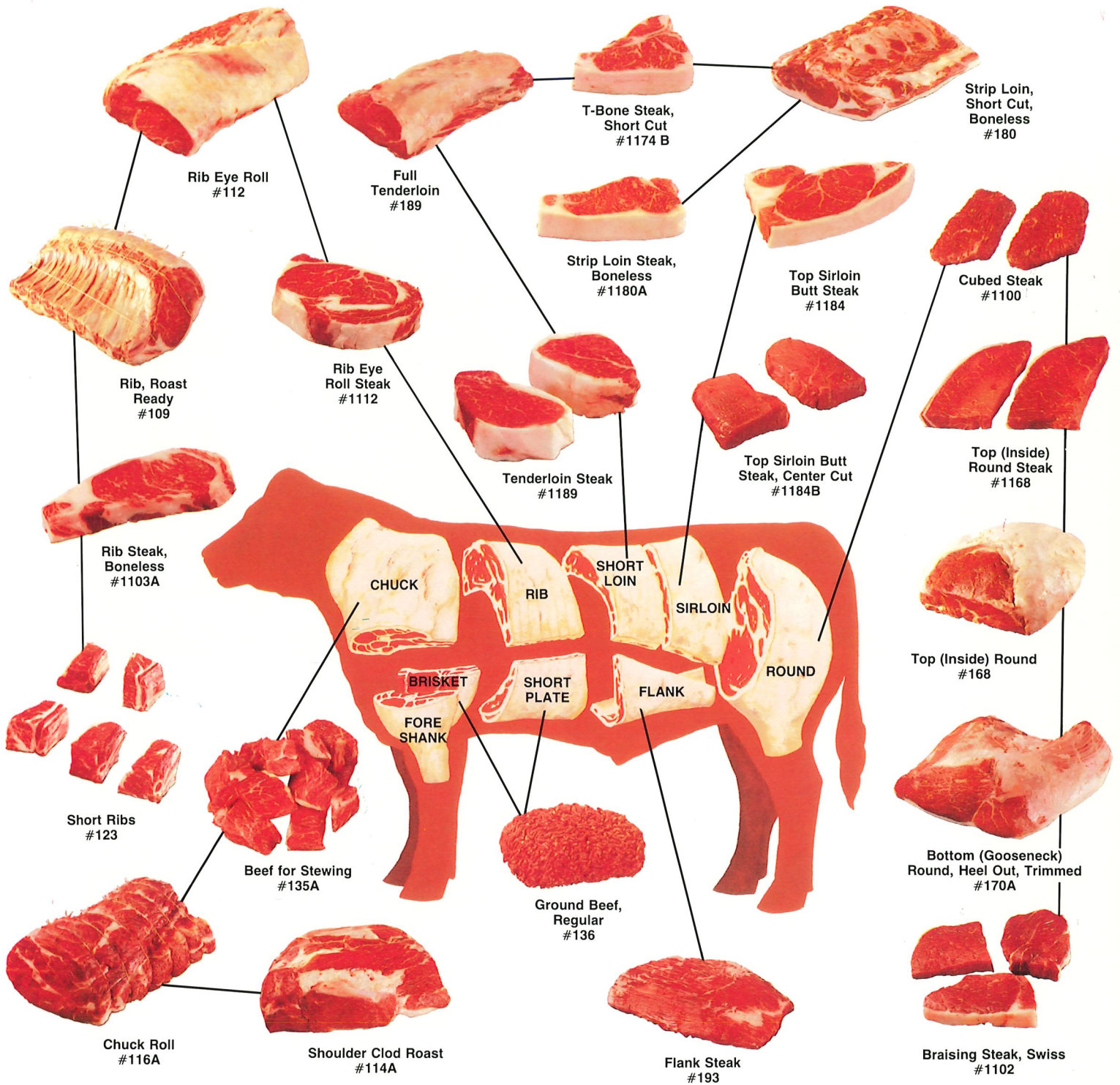
By Bernie Hansen, Kansas Meat Processors Association

- 1) KMPA supports H.B. No. 2831
 - A) Protects consumer from "Bait and Switch" operations
 - B) Supports the sound methods of marketing Kansas meat products
- 2) There is a need for H.B. No. 2831
 - A) Kansas Meat Inspection compliance people have lacked support to get convictions on "Bait and Switch" operations
 - B) Inspection people have only been able to use newspapers, television and surveillance to work against operations
 - C) States with similar legislation in force have had good results against "Bait and Switch"
 - D) Cost of enforcement should not be very large
- 3) What is "Bait and Switch"
 - A) How they operate
 - B) Size of business
 - C) Extent of damage to market - lasting effect
- 4) KMPA requests your support of H.B. 2831 and feels our members will support the legislation. We consider it a step in the correct procedure for proper marketing practices of Kansas meat products.



Atch. 3

Foodservice Cuts of Beef



IMPS/NAMP Number (Institutional Meat Purchase Specification/National Association of Meat Purveyors)

Got a question about beef?

Call or write the Foodservice Department
of the National Live Stock and Meat Board
444 North Michigan Avenue • Chicago, IL 60611
(312) 467-5520



This chart is part of a coordinated beef marketing effort by the Beef Industry Council of the Meat Board and your local beef industry.



Kansas Food Dealers' Association, Inc.

2809 WEST 47th STREET SHAWNEE MISSION, KANSAS 66205

PHONE: (913) 384-3838

February 14, 1984

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**DIRECTOR OF
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FRANCES KASTNER

HOUSE AGRICULTURE & LIVESTOCK COMMITTEE

SUPPORTING HB 2831

EXECUTIVE DIRECTOR
JIM SHEEHAN
SHAWNEE MISSION

Mr. Chairman, and members of the committee, we appreciate the opportunity to appear before you today. I am Frances Kastner, Director of Governmental Affairs for the Kansas Food Dealers Association and our membership includes retailers, distributors and manufacturers throughout the State of Kansas.

Last summer it was called to our attention that several "bait and switch" operations were doing business in Kansas. Because of the alertness of our Department of Agriculture Meat and Poultry Inspectors, they soon closed their doors and moved on to other states.

We felt it would be good consumer legislation to have a specific law which would prohibit such unconscionable and illegal operations. Perhaps some of you saw the ABC 20-20 program last fall depicting how those bait and switch meat operations work.

Kansas retailers are honest people. When they tell their customer what they will receive in a bundle of meat that is all ready to take home and put in their home freezer, that is just what the customer gets. The number of steaks, sirloin, T-bones, etc are weighed and listed as so many pounds of each of those products. The customer knows what he is getting for his money.

The details of this bill have been thoroughly studied by our members and it is the consensus of our Association that this type of bill will prevent the "bait and switch operations" that are illegal from coming back to Kansas. This has been our objective from the very start last summer.

As we read through HB 2831 we asked Repr. Buehler if he could make the penalties even tougher than what we saw in his first draft. He included some changes in the penalty provisions of Section 4 (pages 4 and 5) and we approve of them since it appears to be as far as we can go on it at this time.

We ask this committee to pass a bill which will protect the consumers as well as prohibit illegal operations.

One of our members, Tom Williams, who operated the Guaranteed Foods Company in Kansas City has some specific concerns with this bill, and we have asked him to come before you today and share his thoughts with you.

If you have any questions that either of us might answer for you, at the end of his testimony, we will be happy to do so.

Frances Kastner, Director
Governmental Affairs for KFDA

3310 SW 7th, # 2
Topeka, Kansas 66606

(913) 232-3310

THE FOLLOWING IS A SYNOPSIS OF THE REMARKS OF
MR. TOM WILLIAMS, PRESIDENT OF GUARANTEED FOODS, INC.,
AS THEY WERE PRESENTED TO THE KANSAS HOUSE
AGRICULTURE COMMITTEE HEARINGS RELATIVE TO
HOUSE BILL 2831 DURING THE COMMITTEE'S HEARINGS
ON FEBRUARY 14, 1984.

I am here today to speak in complete agreement with the intent of my friend Representative Frank Buehler's House Bill 2831, and with the objectives of maintaining both high ethical standards for bulk meat dealers and the protection of all of us as consumers.

Frankly, in Kansas, today, we are lucky—because either brought about by increased consumer awareness, promoted by local media, - or organizations such as the Chamber of Commerce, Better Business Bureaus, The Kansas Association of Commerce and Industry and others, or by the heightened enforcement procedures by the Department of Agriculture and Attorney General's office, or for both of these reasons, we in Kansas, fortunately, no longer have any of the "bait and switch" dealers at which this legislation is aimed. Neighboring states are not so fortunate. On the Missouri side of the metropolitan Kansas City area, there is a flourishing "bait and switch" meat store whose ads appear regularly in the Sunday comic sections and TV listings of The Kansas City Star.

And, quite frankly, legitimate companies - including our own - do lose some business to them. However, in our own case, we find that usually after a customer buys one order from a "bait and switch" meat company, they return as our customer and we seldom ever lose them again. That I think typifies the philosophy of the "bait and switch" companies - to get everybody once and get 'em good. (As a matter of fact, I will today leave you a reprint of a consumer awareness article which was published in our Guaranteed Foods magazine, The Good Life, several years ago, which exposed the methods of operation of the "bait and switch" meat companies and warned against what can happen.) Hopefully, at Guranteed Foods, then, we have played a role also in diminishing these companies' existence in Kansas.

However, as much as I agree in principle with the objectives of the proposed legislation, I have some real reservations and concerns about the present form

of this bill for several reasons. I won't go into all of the detailed concerns now -- I'll leave you a copy of those to look over --- but let me just touch on some of the general areas of my concern.

First, I feel the bill attempts to focus on the negative -- in other words, it attempts - and I believe unsuccessfully - to cover all the possibilities of what a meat operator can't do, rather than spelling out the specifics of what must be done. I believe, as do some others - and I hope you share my belief - that the strength of a bill lies in its precise wording, and all of the administrative or legal or legislative interpretations cannot make a bill an effective piece of legislation if its language allows loop holes, vagueness, ambiguities or contradictions within it that run contrary to, or confuse the intent of the legislation.

I am also concerned that, despite the intent of the bill to eradicate the "bait and switch" meat companies, there is inadvertently some language included that could prevent legitimate, ethical Kansas retailers and meat processors from saleably, descriptively and meaningfully advertising to the consumer the products which they actually do sell . . . even though such advertising would be consistent with good business and in compliance with Kansas Department of Agriculture laws.

On the positive side, to strengthen the bill, I believe it would be more meaningful and enforceable if it included within it the definitions of many terms which are used in it, but which, without definitions, could become the subject for interpretation, and thus cloud the enforcement of the bill. In some instances, though, the definitions in the bill just plain miss the mark.

I am concerned also because in H.B. 2831, it appears that the real issue surrounding "bait and switch" meat companies - namely the relationship of the "bait" advertising to the sales "switch" once the prospect comes in the door, is really not clearly addressed in the legislation. The language focuses on what can't be advertised

rather than spelling out meaningful, advertising guidelines from which it would be impossible for unethical dealers to "switch" the prospect. Unfortunately, though, in at least one instance, the language of the bill in its present form would "throw out the baby with the bath water", by creating a potential problem for every legitimate meat processor in the State of Kansas.

And while in some areas the language of the bill seems to go overboard, as I have just mentioned, there are other areas - and I have discussed these with, and received agreement from, both my peers in the industry and meat association officials-(there are other areas) in which the bill could specifically be tougher on the small percentage of "unethical" elements of the bulk meat industry without harming the legitimate, ethical overwhelming majority. (Specific suggestions along these lines are included in the material I am handing out and I hope you'll take time to look them over.)

Finally, because Kansas is fortunate to have strong and effective consumer protection legislation in its statutes already (as demonstrated by the fact that these "bait and switch" companies no longer exist in Kansas) I, and some others in the meat industry are concerned that, without a number of changes in it, this bill might present some conflicts (or at least redundancies to existing laws) which might hurt, rather than strengthen, enforcement.

In summary, then, while I applaud the objectives and intent of this legislation and Representative Buehler's courage and foresight in introducing it, I strongly urge that there be included in it a number of carefully thought-out, well-drafted modifications and amendments, such as have been proposed by the American Association of Meat Processors and others, so that enforcement of the law would be easier, compliance by legitimate meat dealers acceptable and readily "do-able" and the language of the bill strengthened to provide protection for Kansas consumers and model legislation for the future.

SPECIFIC RECOMMENDATIONS ON HOUSE BILL 2831

SECTION I

(c) The definition of "food plan" (although probably not even needed for this legislation because a "food plan" is not a "bait and switch" company - they sell what they advertise) should be changed to that provided by the American Association of Meat Processors (AAMP):

(c) Food Plan means any program offering for sale meat, poultry, seafood or the offering of such products in combination with each other, or with any other food or non-food product or service for a single price designed, advertised or asserted by the seller to meet the food needs of a family or individual for a period of time in excess of 30 days.

(g) Seller - I do not believe the definition is consistent with existing Consumer Protection legislation regarding "seller".

In addition, I believe it would be more meaningful if the following terms were defined: "gross weight" or "hanging weight", "cutting loss", "net weight", "primal cuts" and "individual items" or "retail cuts".

They would be as follows:

"Gross weight" or "hanging weight" means the weight of any carcass, side, quarter or primal cut of meat or combination thereof when weighed prior to cutting or trimming such meat into its constituent parts.

"Cutting loss" or "trim loss" is the weight of meat, fat and bone removed from the carcass, side, quarter or primal cuts during its processing into retail cuts.

"Net weight" is the total weight of the remaining constituent parts of the meat after it has been processed into retail cuts from a carcass, side, quarter or primal cut or cuts.

"Primal cuts" means the following cuts:

- 1) Beef: the chuck, rib, loin, round, flank, plate, brisket and shank
- 2) For veal, lamb or mutton, primal cuts are the leg, flank, loin, rack (rib) and shoulder
- 3) For pork, the primal cuts are the belly, loin, ham, spareribs, shoulder and jowl

"Individual items" or "retail cuts" means the commonly-accepted generic terms for individual steaks, roasts, chops, etc., such as T-Bone Steak, Chuck Roast, Flank Steak, Round Steak, Soup Bones, Short Ribs, Rib Roasts, etc.

SECTION II

In attempting to cover all the bases, I think the language omits some areas.

Why not simplify it all by saying:

"No person shall advertise for sale, solicit, offer to sell or sell meats or frozen foods unless such advertising in whatever form it may be is truthful and accurate."

I think that says it all.

SECTION III

I suggest this begin by stating:

"No seller of carcasses, sides, quarters or primal cuts of beef sold either by gross, hanging weight, or net weight shall engage in any misleading or deceptive practices, including but not limited to:"

(a) Bait Selling

- (1) I have no problem with the intent of the paragraph - but taken literally, the phrase, ". . . displaying any product or depiction of a product to any buyer in order to induce the purchase of another product," means to me that, under this legislation, no seller could ever offer any bonus or free merchandise of any kind to gain a sale. For example, a meat processor, locker plant, retail grocer, home food service, etc.

wanting to sell beef sides couldn't advertise a small premium such as a "canned ham" or "hen turkey" or "5 lbs. of ground beef" with the purchase of a side or anything else because it would "induce the purchase of another product." It appears to me that the seller would be forbidden from giving (or selling) any other product with the purchase of a quantity of meat. This stifles free enterprise. Every other type business in the world can advertise bonuses or premiums (free car wash with fill up, etc.), but, as I read this language, it would make it illegal (and very difficult to advertise and compete saleably).

I suggest, instead, the phraseology proposed by AAMP (instead of lines 0050 through 0055) which would be:

"Disparaging or degrading any product advertised or offered for sale with the intent of encouraging the purchase of another."

(2) Inserting the word "written" before "consent" would help protect everyone.

(b) Price Representation

(1) Here, AAMP has suggested and will support the following language which would protect the meaning of the law without working undue hardships on legitimate companies which operate on low margins and which print catalogs whose prices must fluctuate and are necessarily subject to changes in the commodity and wholesale markets if the companies are to remain in business:

"Using any price list or advertisement subject to changes without notice, unless so stated, and which contains prices other than the seller's current billing prices, unless changes are subject to customers advance acceptance or rejection at or before the time of order or delivery."

- (3) Where would this disclosure appear -- advertisement? invoice? before or after the sale?, etc.
- (4) To make it illegal to "represent the price of any product to be offered for sale in units larger than one pound in terms other than price per single pound" would prevent a legitimate meat dealer from advertising any additional meaningful facts to the consumer - such as "price per serving", "price per person", "price per meal", etc.

The legislation would, I believe, be better worded if it said:

"The price of any product sold in units larger than one pound must be stated in price per pound."

(c) Product Representation

- (7) The intent of this paragraph is fine, but the wording would seem to eliminate the legitimate merchandising of any combination of "parts" of any carcass of meat, except chickens, in the state of Kansas.

To add strength and meaning to the law, AAMP has suggested:

"Advertising carcasses, sides or primal cuts as such while including disproportionate numbers or amounts of less expensive components of those cuts, or offering them in tandem with less expensive components from other carcass, side or primal cut parts."

- (8) The consumer's interests would be better served if the law required a disclosure which stated:

"If the product is represented as having a grade, any grade name specified or advertised which is other than a U.S. Department of Agriculture grade must be shown with the words "Not a USDA grade"."

- (9) Line 0107 would be more workable if it read:

" . . . in at least 10-point type a disclosure such as, "Sold hanging weight subject to cutting loss" or "Sold gross weight subject to normal trim loss"."

(12) Line 0018 - suggest " . . . that they are or may be from . . ."

Lines 0129 from (B) forward, would be much easier to enforce and almost impossible for "bait and switch" dealers to circumvent if they read:

- b. The approximate weight ranges do not cover a spread of more than 10%, e.g. 250-275 lbs. avg. etc.
- c. That such estimates can not differ from the actual billing weight by more than 10% from advertised estimates, e.g. a side advertised at 300-325 lbs. avg. could not have a billing weight of more than 340 lbs.

(13) Line 0136, I suggest, as does AAMP, language such as:

" . . . unless the seller itemizes the approximate quantity of such cut or approximate weight of each type of cut the buyer will receive."

(14) I agree with this, but suggest adding the words to the last sentence as follows:

" . . . sets forth the price, weight or amount of other products which must be purchased to entitle the buyer to the additional products or service."

The way it is presently worded, you couldn't advertise "Free with your purchase of a quarter of beef", because that doesn't set forth "the total price or amount which must be paid." The change suggested here would accomplish the intent but still be saleable to a legitimate dealer.

A SUGGESTION WHICH THE BILL DOES NOT INCLUDE

Other specific suggestions for this legislation to truly protect the consumer would be to require (and legitimate meat dealers can readily do this) at the time of receipt by the consumer a written disclosure of the following:

- Name, address and phone number of seller
- Actual gross weight (if sold that way) or net weight on which price per pound is computed at delivery

- Price per pound
- Total price
- Disclosure of any other charges (such as cutting, wrapping, freezing)
- Itemized inventory of retail cuts
- Weight of each type of retail cut, labeled generically
- Written guarantee
- U.S. quality grade of primal cut or package sold
- 72-hour right of rescission by the customer, whereby they could cancel the sale and return the product to the seller for a full refund of the purchase price less the proportionate price for any meats which the customer received but did not return to the dealer.