

Approved: 2-5-98  
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman Bill Mason at 3:30 p.m. on FEBRUARY 3, 1998 in Room 423-S of the Capitol.

All members were present except: Barbara Allen (A)  
Lisa Benlon (E)  
Annie Kuether (E)  
Vern Osborne (E)

Committee staff present: Lynne Holt, Legislative Research Department  
Renaë Jefferies, Revisor of Statutes  
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee: Allie Devine - Department of Agriculture  
Leslie Kaufman - Ks Farm Bureau  
Laurel Murdie, Division of Post Audit  
Representative Daniel Thimesch

Others attending: See attached list

Representative Sharp moved that the minutes for January 26 and 27 meetings be approved. Representative Peterson seconded the motion and the motion carried.

**HCR 5028:**

Lynne Holt reviewed the resolution and recommendation from the Joint Committee on Economic Development. (Attachment 1) She gave copies of a Lawrence Journal-World newspaper article in which Agriculture Secretary Dan Glickman praised the new HACCP program. (Attachment 2)

Allie Devine gave an overview of HACCP and the possible impact of the program to Kansas meat processing plants. She spoke of various changes and improvements that had taken place in the Department of Agriculture. Questions were raised regarding: cost projections, problems in particular meat processing plants, plant closures due to new regulations, niche marketing, selling products across state lines and regulations involved in selling squirrel, rabbit and buffalo.

Leslie Kaufman presented a public policy statement in support of HCR 5028 on behalf of Kansas Farm Bureau. (Attachment 3)

Laurel Murdie advised the committee that a post audit would be forthcoming that should clarify many of the questions about HACCP. She stated that the report should be out February 12.

Representative Thimesch spoke to the committee requesting that they wait pending the outcome of the post audit report before it takes any action (Attachment 4). He also presented copies of the March 14, 1997 House Committee on Agriculture minutes to the committee that pertain to this issue (Attachment 5).

Chairman Mason closed the hearing on HCR 5028

He stated that discussion would continue tomorrow or the next day.

Chairman Mason adjourned the meeting at 4:30 p.m.

The next meeting is February 4, 1998.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE  
COMMITTEE GUEST LIST

DATE: February 3, 1998

NAME	REPRESENTING
Mae Archer	Henry Co. Farm Bureau
Edward M. Kaiser	Henry Co. Farm Bureau
Joe Masenthin	WDOC + H
Leslie Kaufman	Ks Farm Bureau
Bliss Duran	Sec. of Ag.
Roger Bartel	Farm Bureau
WILLIAM KROUPA	KFB
Rebecca Floyd	KDFA
Eric Anshutl	Osage Co Farm Bureau
Laura Miles	" " "
Lewis Miles	" " "
Nathy Callahan	Thomas County Farm Bureau
Richard Callahan	" "
Jack Wray	Franklin Co Farm Bureau
Daniel Adams	Ford Co. Farm Bureau
Nancy Kernick	Neosho Co. Farm Bureau
Joe Hansen	" " " "
Carol Cover	KFB
Jan Kohle	Osage County Farm Bureau Assoc

HOUSE ECONOMIC DEVELOPMENT COMMITTEE  
COMMITTEE GUEST LIST

DATE: \_\_\_\_\_

NAME	REPRESENTING
Abrene Visser	Riley Co. F.B.
George Visser	Riley Co. F.B.
Mary Jane Stattelmaier	KBA
Bill Kauer	KFB
Virgil Cowen	KFB
Laurel Munde	LPA

## ***Study of the Meat Inspection Program\****

**SUMMARY:** The Joint Committee on Economic Development recommends the introduction of a concurrent resolution encouraging communication among all parties with the operators of small meat processing facilities and urges the Kansas Secretary of Agriculture to consider the impact of new federal regulations on these facilities. The Committee also recommends that the Kansas Secretary of Agriculture report to the standing Agriculture committees concerning the progress the Department has made in improving the state meat inspection program.

### **BACKGROUND**

The Joint Committee on Economic Development was directed by the Legislative Coordinating Council (LCC) to study the Meat Inspection Program of the Kansas Department of Agriculture. The request for this study resulted from a letter to the LCC from Representative Joann Flower, the Chairperson of the House Agriculture Committee. The letter requested a study of the impact of new federal requirements on the meat processors inspected through the Kansas Meat Inspection Program. The basis for this request was 1997 H.R. 6012, which was adopted by the House of Representatives during the 1997 Legislative Session. This resolution requested that the LCC authorize an interim study committee to determine the impact of the new regulations on small meat processing facilities. These regulations relate to written sanitation standard operating procedures, sampling and testing development and implementation of food safety systems, and development of microbiological programs. The resolution recognized that the continued existence of small meat processing plants is extremely important to the economy of many small towns throughout Kansas. The interim study request also sug-

gested that there be an evaluation of state efforts to assist small meat processing facilities in meeting the regulations.

**1995 Special Committee on Agriculture and Livestock.** The study of the impact of new federal regulations on the state's Meat Inspection Program is not a new issue to come before the Legislature. The issue was studied and reviewed by the 1995 Special Committee on Agriculture and Livestock. That Committee made no specific recommendations regarding the issue. However, the Committee did express its concern with the potential financial impact on the state's smaller meat processing facilities if the USDA continued to proceed with the implementation of HACCP regulations (to be discussed below). The Committee stated in its report that every effort should be made by officials with the Kansas Department of Agriculture and Kansas State University to minimize this economic impact and to assist small meat processors and operators in their efforts to continue to be economically viable. The 1995 Special Committee on Agriculture and Livestock requested that the chairpersons of the standing Agriculture committees continue to monitor this situation during the 1996 Legislative Session to ensure that the appropriate state agencies are making every effort to assist the small meat processing industry to meet the new federal mandates. The Committee suggested that these chairpersons hold additional hearings during the 1996 Legislative Session and receive updates on any changes that may occur which would impact the small-volume meat processing industry in Kansas. Recognizing that Kansas State University is a national leader in the area of meat research, the Committee expected officials at the University to make every effort to use the expertise, personnel, and facilities of the University to address this situation, and to offer to the citizens of the state involved in meat processing at the local level every cost-saving measure available while still meeting the standards imposed by the Food Safety and Inspection Service of USDA.

### **Meat Inspection History—Federal Act.**

Congress first enacted the Wholesome Meat Act in 1906, which mandated that all meat destined for interstate commerce or export be inspected by the USDA. In 1967, Congress also enacted the Federal Meat Inspection Act and, in 1968, the Poultry Products Inspection Act. These two acts required the inspection of all meat and poultry products engaged in intrastate or interstate commerce.

Under the Federal Meat Inspection Act and the Poultry Products Inspection Act, states were allowed to establish and administer their own programs for the inspection of meat and poultry products involved exclusively in intrastate commerce. Meat processing facilities in states wishing to participate were required to be at "least equal to" federal inspection standards and, if operated in that manner, would qualify for 50 percent funding from the federal government. Kansas was one of the states to comply with that requirement. The Kansas Legislature enacted legislation to implement a state meat and poultry inspection program (the Kansas Meat and Poultry Inspection Act of 1969). Currently, Kansas is one of 26 states in the country that maintains a meat inspection program. In the remaining 24 states without programs, the USDA retains that responsibility.

Large volume meat processors such as Iowa Beef Packers (IBP) and EXCEL are under the jurisdiction of USDA's Food Safety and Inspection Service or federal inspection since the business of these corporations is oriented toward the interstate market. For the most part, smaller meat processors in the state are under state jurisdiction and have their market in the intrastate arena. The products of state-inspected meat processing facilities are prohibited from entering the interstate marketplace.

**Kansas Meat Inspection.** Prior to 1969, meat processing establishments had been inspected by personnel of the Kansas Department of Health and Environment. As indicated earlier, the Kansas Legislature enacted the Kansas Meat and Poultry Inspection Act in 1969. This Act also established the Meat and Poultry Inspection Division within the former Kansas State Board of Agriculture. There is currently a Meat and Poultry Inspection program, although no longer a Division, within the Kansas Department

of Agriculture.

The Kansas Legislature, by enacting the Meat and Poultry Inspection Act, assigned the responsibility to provide antemortem and postmortem inspection of all cattle, sheep, swine, goats, equine, and poultry slaughtered for human consumption to the current Kansas Department of Agriculture. The Act also established a process for the control of processed meat and poultry products by establishing standards of identity and also a process for sanitation and labeling. In addition, the Act contains provisions related to potable water, sewage and waste material control, pest control, condemned and inedible material control, and adulteration in and around state-licensed meat processing facilities.

Present federal and state law requires antemortem and postmortem inspection on all animals at time of slaughter. In order to accomplish this task, inspectors are assigned to slaughter facilities, regardless of whether these facilities are state- or federally-inspected. Those inspectors must be present at the slaughter to ensure that only healthy animals are slaughtered. Inspectors are expected to assure that all operations are conducted in a sanitary environment utilizing sanitary equipment and that approved procedures are followed. This supervision includes tasks such as checking cooking temperatures and curing procedures, verifying types of chemicals used for cleaning, and validating pesticides to ensure that residuals are not used in food handling areas. Both state and federal inspectors routinely check to ensure that condemned material is denatured. All labeling must be preauthorized and inventories maintained on printed materials containing an inspection stamp.

**Background and Events Leading to Additional Federal Regulations.** In January 1993, more than 500 persons became ill from an outbreak of *E. coli* O157:H7 in the Pacific Northwest and several children died. It was determined that this outbreak was caused by undercooked ground beef that had been inspected and approved by the Food Safety and Inspection Service of USDA. Since then, similar outbreaks have occurred in other parts of the country, as well as in other parts of the world.

As a result of these events, Congressional

hearings on the issue were held to initiate reforms to the federal meat inspection system. In order to protect the health of the public, the intent was to change the focus of inspection efforts from animal disease detection to an assessment of the risks posed by food-borne pathogens. In addition, the USDA's Food Safety and Inspection Service developed a set of regulations to address sanitation in a processing plant and the responsibility for maintaining certain standards of food safety during the production of meat and poultry items. The final rule for these regulations was published in the *Federal Register* in July 1996. It set out deadlines for the implementation of these regulations, as well as the specific requirements for the various sections of the new regulations.

#### **Requirements of New Federal Regulations.**

The following are requirements of the new regulations:

- The first requirement is the creation of written sanitation standard operating procedures for every meat or poultry plant under inspection by either the federal government or a state inspection program. The intent of these regulations is to require the individual plant owner to take primary responsibility for proper sanitation in the plant. The responsibility for the creation of the operating procedures lies with the individual plant. Then the inspection program will ensure that the plant is carrying out its plan for implementing the procedures. The sanitation standard operating procedure is basically a step-by-step, written description of how sanitation will be maintained and how adulteration of meat or poultry products will be addressed. Kansas plants have adopted procedures according to agency regulations and federal requirements. Federal plants began complying with the procedures and *E. coli* testing requirements in January 1997.
- The second requirement is the sampling and testing for generic *E. coli* organisms in each plant that slaughters livestock or produces ground meat products. It will be the plant's responsibility to perform the sample collection and testing, utilizing either in-house testing procedures or a commercial lab. The testing for *E. coli* is intended to indicate the

level of contamination on the carcass resulting from improper dressing procedures at the time of slaughter. The frequency of testing for the small state-inspected plants is one sample per week for 13 weeks on an annual basis, during the months of June through September. Testing for *E. coli* began in September of 1997 for small plants.

- The third requirement is the development and implementation of food safety systems in each plant. These food safety systems, known as HACCP, are intended to prevent food safety problems from occurring. This differs from the current system which is intended to catch problems after they occur. In the past, most quality control in the meat processing industry has come about through the visual inspection of animals before and after slaughter and the enforcement of sanitary regulations. However, visual inspections cannot detect microbes. *E. coli* and *Salmonella* can be present on carcasses or in ground meat and can cause illness or death in the human population. The USDA's Food Safety and Inspection Service has required the implementation of an HACCP system in order to detect the existence of pathogens. Essentially, HACCP requires the nation's meat processors to develop, adopt, and implement a system of preventive controls designed to improve the safety of products. HACCP involves the identification of hazards and the points in the process that control those hazards. Each plant must break down its operations into its component steps and evaluate each step for risk from physical, chemical, or microbiological hazards. Those steps in which the plant can intervene to prevent a food safety problem are considered critical control points. The plant will identify its planned intervention for each critical control point to prevent food safety problems, and provide corrective actions when a problem does occur. The plant must keep documentation for all critical control points, as evaluation and verification of the HACCP program will be periodically carried out by the plant management and by the state inspection program.

The deadline for the development and implementation of an HACCP program was adjusted for the size of the inspected plant. Plants with more than 500 employees must have HACCP in place by January 1998; plants with ten to 500 employees must have HACCP in place by January 1999; and plants with fewer than ten employees, or less than \$2.5 million in annual sales, must have HACCP in place by January 2000. Most Kansas plants are subject to the last deadline.

- The final requirement is a microbiological sampling program to test for *Salmonella* organisms in each inspected plant. This sampling and testing program will be the responsibility of the inspection program, not of the industry. The results of these samples will be compared to a national baseline to be developed by Food Safety and Inspection Service. Those plants comparing favorably to the baseline will be periodically sampled by the program. Those plants that exceed the baseline will be reviewed to determine the cause of the bacterial contamination. They will be required to adjust their HACCP program to correct the situation. This testing will begin sometime in 1998.

**HACCP Implementation.** Implementing HACCP in a small meat processing facility in Kansas is an endeavor with many steps. Among other items, in order to develop an HACCP system, personnel must be trained, HACCP plans must be developed for each product line, and equipment may need to be purchased or upgraded. Once an HACCP plan is in place, continuing costs will occur as a result of laboratory sampling, documentation of operations, and verification of HACCP effectiveness. HACCP implementation in these plants also involves monitoring, testing, and verification. A description of all these activities is included in a memorandum by Raney Gilliland, Kansas Legislative Research Department, dated November 4, 1997.

## COMMITTEE ACTIVITIES

The Joint Committee on Economic Develop-

ment held on May of hearings on the Meat Inspection program. At that time, the members of the Committee had a briefing from the staff of the Legislative Research Department and received information from a number of conferees including the Secretary of Agriculture, Representative Dan Thimesch, a spokesperson from the Kansas Livestock Association, and six representatives of the meat processing industry in Kansas. Other individuals representing the Department of Agriculture, the Department of Commerce and Housing, and Kansas State University were available to answer specific Committee questions. Written testimony was provided by the American Association of Meat Processors.

The Secretary of Agriculture described the history of the state's Meat Inspection Program, discussed the current status of the program, and informed Committee members of the multi-agency effort to assist small meat processors in meeting new federal requirements. The Secretary informed the members of the Committee that federal law preempts state law in the area of meat inspection. She noted that one option would be for the state to turn the state meat inspection program over to the federal government. However, the Secretary added that officials from the federal government were not advocating the relinquishment of the state-administered program. In addition, the Secretary reviewed the activities of the agency to analyze the meat processing industry in Kansas, to educate inspectors and processors, and to assist the industry with the financial and training needs to meet the new federal requirements.

The members of the Committee learned that there have been numerous meetings with federal officials and with members of the industry to disseminate information as it becomes available. Federal officials have assisted with a team of program managers and supervisors in identifying training needs and opportunities. Food safety and inspection service officials are to present training for departmental staff and for members of the industry. In addition, the Secretary has attempted to strengthen the state's program by realigning personnel within the program. At the suggestion of program supervisors, the Department of Agriculture is making plans to replace 11 part-time inspectors with 4.5 full-time positions. In addition, a newly formed

quality action team of program field supervisors is rewriting the state plan. The team meets monthly to measure, define, and implement program improvements.

✓ In addition to the information outlined above, the members of the Committee learned that the state's Meat Inspection Program has been designated as Category III, which federal officials deem to mean "equal to [federal standards] with significant variation." The Secretary stated that the next lower category is Category IV, which is unacceptable to federal officials and would require them to cancel their cooperative agreement with the state and take over the inspection program. The members of the Committee learned that being in Category III means that the Kansas inspection program is in the bottom third of the 26 state meat inspection programs. The Secretary identified for Committee members her actions in addressing this state's designation: a peer review of the program; a systems analysis of the meat and poultry inspection process; improved communication with members of the industry; and additional efforts to assist those in the industry in dealing with the new federal regulations, including the provision of training courses and financial assistance to attend those courses.

Representative Thimesch also appeared before the members of the Committee. He noted that there would be a significant economic impact to the state if 50-60 of the small meat processing facilities were to go out of business. He acknowledged that the state would lose \$1.4 million in federal money if it were to lose the meat inspection program, but stressed that the economic impact resulting from the loss of numerous small meat processing facilities would be much greater than the loss of the federal match money. He cautioned that these businesses should not be lost because of any miscommunications between regulators and those being regulated. Representative Thimesch provided copies of the minutes of the House Agriculture Committee, where an official with the Food Safety and Inspection Service indicated that there should be no additional facility requirements and that there should only be nominal fees for training and the possible engagement of someone to write an HACCP plan.

Representative Thimesch also reviewed for

the members of the Committee the approved scope statement for the Post Audit review which will examine whether state regulation of meat processing plants is more stringent and costly than federal regulations require. The Post Audit review is to begin in early November of 1997. The two questions being addressed by the staff of Post Audit are:

- What do meat processing plants have to do under new federal laws and regulations relating to food safety requirements, and how is this information being communicated to them?
- Has Kansas adopted more stringent requirements for meat processing plants than those imposed by the federal government, and if so, what is the additional cost of those requirements?

Representative Thimesch suggested creation of a grievance board to evaluate and examine arguments and concerns related to new federal regulations affecting small meat processing facilities. He noted that some people in the industry believe that the state requirements are more rigorous than those imposed by the federal government.

Two conferees who are employed in meat processing mentioned the issue of the shipment of state inspected products in interstate commerce. These conferees stated that they often get requests to ship their products out of state, but that they are not permitted to do so because they operate state inspected facilities. Federal officials have indicated that meeting the requirements of the HACCP regulations would be a precondition for any change to prohibition against state-inspected facilities shipping their products in interstate commerce.

## CONCLUSIONS AND RECOMMENDATIONS

The Joint Committee on Economic Development wishes to commend the Secretary of Agriculture on her plan of action to raise industry standards from a Category III to a Category I. The members of the Committee want to specifically commend the Department's efforts related to improving communication with members of



the industry, training initiatives designed for members of the industry, and the assistance to the meat processing industry in dealing with the new federal regulations. The Committee encourages the Department to continue its efforts in working out differences between the Department and members of the meat processing industry through the mediation process.

The members of the Joint Committee on Economic Development also recommend the introduction of a concurrent resolution, which encourages the Legislature, the Secretary of the Kansas Department of Agriculture, and officials with the United States Department of Agricul-

ture to continue communications with the operators of small meat processing plants and urges the Kansas Secretary of Agriculture to consider the impact and ramifications of implementation of new federal regulations on small meat processing plants in Kansas.

Finally, the members of the Committee recommend that the Secretary of Agriculture report to the standing Agriculture committees about the progress the Department has made in improving the meat inspection program.

## Glickman praises meat inspection system

WASHINGTON (AP) — The government's new system for preventing contamination in processing plants is known by the acronym HACCP. Some meat and poultry inspectors sardonically say that means: "Have A Cup of Coffee and Pray."

Actually, it means "Hazard Analysis and Critical Control Points," a system beginning today for the 312 largest meat and poultry processing plants that account for 75 percent of livestock slaughtered in the United States. It will be phased in over two years in the remaining 6,100 plants.

"We definitely have our work cut out for us, as there are many disturbing pitfalls and apparent weaknesses," Randy Wurtele, western president of the Nation-

al Joint Council of Food Inspection Locals, said in a letter on the union council's Internet site.

Under the new regime, plants install their own facilities preventive measures to reduce E. coli and salmonella bacteria and improve sanitation. Agriculture Secretary Dan Glickman said the system is a "revolutionary improvement" over the old approach's reliance on sight, touch and smell.

"Rather than catching problems after they occur, we will now focus on preventing



Glickman

problems in the first place," Glickman said.

HACCP systems involve identifying points in a processing plant where contamination is most likely to occur and finding methods to combat it. Each plant can design its own HACCP system but must meet certain standards.

Some of the 7,500 federal inspectors on the front lines say relying on company workers to keep records on how well the systems operate places too much faith in the honesty of corporations out to make a profit.

For example, companies are required to test for E. coli, a strain of which can cause serious illness or even death in humans. But no federal inspector will oversee the

tests, and companies need only make available their own results, which Wurtele said could be fabricated.

A private watchdog group, the Government Accountability Project, also has qualms. "The industry inspectors do not have whistleblower protection and can be fired at will for interfering with production. This poses a threat to consumers," said Felicia Nestor, food safety director for the Washington-based organization.

Thomas J. Billy, head of USDA's Food Safety and Inspection Service, said federal inspectors will do random E. coli sampling and compare results. The government could order corrective action, Billy said, "if we see an aberration."

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ATTACHMENT 2



# PUBLIC POLICY STATEMENT

## HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

**RE: HCR 5028 – Memorializing Congress to Urge USDA to Continue to Assist and Communicate Small Meat Processors**

**February 3, 1998  
Topeka, Kansas**

**Prepared By:  
Leslie Kaufman, Assistant Director  
Public Affairs Division  
Kansas Farm Bureau**

Chairman Mason and members of the committee, thank you for this opportunity to appear before you today in support of HCR 5028. Small meat processing businesses are a vital part of many rural communities across this state. Producing a safe product is essential, not only to their existence as a business entity, but to the quality and safety of a basic component in our food supply.

I am Leslie Kaufman and I serve Kansas Farm Bureau as the Assistant Director of the Public Affairs. Our members are very concerned with keeping businesses, such as small meat processors, in their communities. Our policy on Rural Revitalization and Renewal (*see attachment*) supports efforts to enhance the economic, social and cultural climate for farm and rural families and improve the general potential of rural communities to attract people, business and industry. The continuation and

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ATTACHMENT 3

preservation of existing businesses is an important element for accomplishing both these objectives.

As such, we applaud the teamwork of the Kansas Department of Agriculture, Kansas State University and Kansas Department of Commerce and Housing in their efforts to assist small meat processor in meeting meat inspection standards. They have developed a training program for processors and their employees, as well as, worked with USDA to see that any help available to Kansas' small meat processors is channeled to them.

HCR 5028 is recognition that these efforts are of significant importance and should continue. Accordingly, we ask you to support and pass favorably HCR 5028.

Thank you.

**Rural Revitalization and Renewal**

**AG-18**

The revitalization of rural communities must be a high priority for private citizens, as well as for government at local, state and national levels. We support programs which will:

1. Enhance the economic, social and cultural climate for farm and rural families;
2. Strengthen activities designed to help rural communities obtain grants and loans for infrastructure improvements; and
3. Improve the general potential of rural communities to attract people, business and industry.

As a means of promoting rural revitalization, we encourage the development of a program to link retiring farmers with young persons wanting to get established in agriculture, and would encourage participation in such a program.

DAN THIMESCH  
REPRESENTATIVE, 93RD DISTRICT  
30121 WEST 63RD STREET SOUTH  
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(316) 531-2995

STATE CAPITOL  
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(DURING SESSION)



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

AGRICULTURE  
EDUCATION  
TRANSPORTATION

Thank you Chairman Mason and Committee.

I am hear today to encourage this committee to hold up working HCR-5028. Meat inspection has been undergoing major changes this last couple of years. Some of these changes have brought about much misunderstanding concerning anticipated costs to implement a HACCP System according to Dr. Bob Fetzner, Director of Federal State Relations, USDA Food Safety Inspection Service. He also stated there is no reason to loose the large number of small processing plants that some are projecting.

Last Friday, January 30, 1998, Patty Clark, Division Director from the Department of Commerce and Housing stated that in her estimation, Kansas would probably loose 20 to 30% of our 140 plus state licensed locker plants. She also stated that coming into compliance could cost \$25,000 to \$200,000 per operation.

Dr. Fetzner stated that implementing HACCP should only cost about \$4,000 to \$5,000. There is much confusion to me and some of our producers, although the secretary has somewhat improved communication with locker plants.

HCR-5028 addresses HACCP, talks of its costs to implement, talks of no meat processor should go out of business and talks of how important these businesses are.

February 12 a post audit will come out that can clarify some of these concerns.

I ask the committee to wait for this report.

A handwritten signature in cursive script that reads "Daniel J. Thimesch".

Daniel J. Thimesch

House Economic Development

2/3/98

ATTACHMENT 4

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Joann Flower at 9:00 a.m. on March 14, 1997, in Room 423-S of the Capitol.

All members were present except: Representative Faber - absent  
Representative Showalter - absent

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

Conferees appearing before the committee:  
Dr. Bob Fetzner, Director of Federal State Relations, USDA Food Safety Inspection Service, and Staff

Others attending: See attached list

**Hazard Analysis and Critical Control Points (HACCP)**

Dr. Bob Fetzner, Director of Federal State Relations, USDA Food Safety Inspection Service, and staff answered committee questions concerning HACCP via a telephone conference call.

Representative Thimesch distributed copies of two Food Safety Inspection Service reports both dated July, 1996, for the committee's reference: *Key Facts: Impact of HACCP Rule on Small Businesses* and *The Final Rule on Pathogen Reduction and HACCP Systems*. (Attachments 1 and 2, respectively)

Dr. Fetzner and staff assured the committee and those in attendance that there should be no additional facility requirements for small meat processing plants because of HACCP, and only nominal fees for training and possibly hiring someone to write their HACCP plan. He said there has been much misunderstanding concerning anticipated costs to implement a HACCP System; there is no reason to lose the large number of small processing plants that some are projecting. He told the committee that the time and temperature requirements originally proposed have been waived, as long as there is a separation of cooked meat and raw meat. Dr. Fetzner said there has been very few problems with implementation of HACCP in federally inspected plants, and the 26 states with state-inspection programs are all in the process of implementation.

It was explained that small plants will bear the cost of testing thirteen samples for E. coli between the months of June and August; testing for Salmonella will be conducted by and the costs borne by state or federal inspection. The committee was told that with advanced technology, the cost for E. coli testing has gone down from \$30 to as low as \$5 per sample. Dr. Fetzner said costs to the small meat processor will include developing the initial HACCP plan and the training of personnel; cost of the thirteen test samples for E. coli, annually; and the time devoted to additional paper work. He explained that rather than have an inspector on the premises all the time, operators will be required to keep records verifying that procedures have been followed. He said estimated costs are broken down by category in the Federal Register Vol. 61, No. 144/Thursday, July 25, 1996/Rules and Regulations (Attachment 3, February 20, 1997).

Dr. Fetzner said the National Academy of Science had warned USDA about pathogens in meat and poultry and the need for more scientific inspection requirements for many years; however, it took the E. coli scare in the Northwest before specific action was taken. Dr. Fetzner said the United States is the leading nation in the world for meat and poultry inspection; the department's goal is food safety from the farm to the table.

This concluded the conference call with Dr. Fetzner and staff of the USDA Food Safety and Inspection Service.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE, Room 423-S Statehouse, at 9:00 a.m. on March 14, 1997.

Chairperson Flower reminded the committee that upon adjournment of the House, they would be touring the Grain Inspection Department in preparation for the hearings next week on Sub SB 317.

The meeting adjourned at 10:00 a.m. The next meeting is scheduled for March 17, 1997.



**SCOPE STATEMENT**

**Assessing Whether State Regulation of Meat Processing Plants Is More Stringent and Costly than Federal Regulations Require**

In 1996, the U.S. Department of Agriculture's Food Safety and Inspection Service issued final regulations relating to meat and poultry production and inspection. Among other things, these new regulations address written sanitation standard operating procedures, requirements for sampling and testing, development and implementation of food safety systems, and development of a microbiological sampling program. According to material provided by the Inspection Service, these final rules took into consideration many of the concerns raised by small meat processors in response to draft regulations published in 1995. The final rules supposedly would minimize the impact on small business by reducing the rule's economic burden on them, and by giving small plants more time, training, and assistance in implementing the rules.

Legislative concerns have been raised that there's still a lot of confusion about what small meat processing plants will be required to do to comply with the new rules, and about how much it might cost them. Apparently, officials in the federal Inspection Service recently indicated that small plants' costs under the new rules would be minimal, while State officials have indicated that implementation costs could run as high as \$25,000 to \$200,000 per plant. Other concerns focus on whether the new federal requirements are scientifically based, on whether the State will be imposing more stringent standards on meat plants than the federal regulations require, and on whether meat plant operators think State inspectors are conducting fair and consistent inspections. In a broad sense, the concerns are that the new rules may drive a significant number of smaller plants out of business.

A performance audit in this area would address the following questions:

1. **What do meat processing plants have to do under new federal laws and regulations relating to food safety requirements, and how is this information being communicated to them?** To answer this question, we would review applicable laws, regulations, and records, and would interview officials as needed in the U.S. Department of Agriculture's Food Safety and Inspection Service, the Kansas Department of Agriculture, the Kansas Department of Commerce and Housing, and other relevant agencies. We also would survey or interview a sample of meat processors in Kansas to determine what information they've received, and how they think the new federal laws and regulations will affect them. In addition, we would determine such things as what export restrictions Kansas meat processing plants face (either to other states or to other countries), and whether importers are subject to the same regulatory requirements as Kansas processors.
  
2. **Has Kansas adopted more stringent requirements for meat processing plants than those imposed by the federal government, and if so, what is the additional cost of those requirements?** To answer this question, we would review and compare Kansas' requirements with the new federal requirements. If Kansas' requirements are more stringent, we would review other relevant records and interview appropriate State officials to determine why. We also would review available information about the estimated cost of implementing the new federal regulations, and the estimated cost of implementing any State requirements that go beyond the federal requirements. Finally, in our surveys or interviews of a sample of Kansas meat processors, we would try to determine their estimates of the cost of complying with any more stringent State requirements, and their opinions about whether such differences result in any unfair or inconsistent inspections. We would perform other testwork as needed.

Estimated completion time: 8-10 weeks

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