

Approved: 2-9-00  
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Steve Morris at 10:00 a.m. on February 8, 2000, in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department  
Jill Wolters, Revisor of Statutes  
Nancy Kippes, Committee Secretary

Conferees appearing before the committee:

Greg Krissek, Assistant Secretary, Department of Agriculture  
Derek Schmidt, Legislative Liaison and Special Counsel, Governor's Office

Others attending: (See Attached)

Senator Tyson made a motion to approve the minutes for the February 7, 2000 meeting as submitted. Senator Huelskamp seconded. The motion carried.

Hearing on: **SB 531 - concerning eggs**

Greg Krissek, Assistant Secretary, Department of Agriculture, testified in support of **SB 531**, which proposes several changes to the Kansas Egg Law (Attachment 1). These proposed changes are an attempt to incorporate new federal changes in egg safety handling provisions so that Kansas will be consistent with the federal government in our regulation of the egg industry.

The hearing on **SB 531** was closed.

Continued discussion on **HB 2527**:

Senator Stephens made a motion to include institutions of the farm credit system as an eligible lending institutions in the provisions of **HB 2527**. Senator Huelskamp seconded.

Senator Corbin made a substitute motion to include farm credit system institutions with the stipulation that they must be required to collateralize these loans in the same fashion as banks would be required to do. Senator Stephens seconded. The motion carried.

Derek Schmidt, Legislative Liaison and Special Counsel, Governor's Office, appeared before the committee to deliver Governor Graves' support for **HB 2527** (Attachment 2).

Senator Umbarger made a motion to amend **HB 2527** to increase the total amount of state money available to the program under the bill to \$66 million. Senator Downey seconded. The motion failed.

Senator Huelskamp made a motion to substitute language for the language in **HB 2527**. His motion would allow a tax credit to certain institutions which make agricultural production loans to borrowers at a rate which is at least one whole percentage point less than the prime interest rate. Senator Clark seconded.

Senator Umbarger made a substitute motion to pass **HB 2527** favorably as amended. Senator Downey seconded. The motion failed.

The next meeting will be February 9, 2000.

# SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: 2-8-00

NAME	REPRESENTING
Tom Bruno	Allen Assoc.
Jamie Clover Adams	KDA
Greg Krissiek	KDA
Del Lambley	KDA
John Falk	KDA
Constantine Cotsoyadis	KDA
Nancy Sargent	League Women Voters
Scott Gates	Ks. Dept of Admin
Marla Goodrick	PMIB
DERL TREFF	PMIB
Joe Lieber	Ks - Gov / Court
Lee Maysenthin	KDOCH
Henna J. Ilowia	Ks. Soybean Assoc.
DEREK SCHMIDT	GOVERNOR'S OFFICE
Rich McKee	KLA

STATE OF KANSAS

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KANSAS DEPARTMENT OF AGRICULTURE

Senate Agriculture Committee

February 8, 2000

Testimony Regarding Senate Bill 531

Greg Krissek, Assistant Secretary of Agriculture

Good morning Chairman Morris and members of the Senate Agriculture Committee. I am Greg Krissek, Assistant Secretary of the Kansas Department of Agriculture. I appear before you today on behalf of KDA in support of Senate Bill 531, which proposes several changes to the Kansas Egg Law.

Kansas Agricultural Statistics estimated production for the state in 1998 at 392 million eggs, ranking the state 34th in egg production. Kansas currently has 50 egg producers registered with KDA (33 by permit and 17 by egg stamp). In 1998, assessments were paid to KDA on nearly 296 million eggs offered for sale in the state. There are over 2000 retail locations in Kansas that sell eggs that have to comply with temperature holding requirements for the product. Currently, Americans consume an average of 234 eggs per person per year.

These proposed changes are an attempt to incorporate new federal changes in egg safety handling provisions so that Kansas will be consistent with the federal government in our regulation of the egg industry. The main changes reflected in this legislation are:

- decreasing the holding temperature requirement for eggs from 60 degrees to 45 degrees
- making the offer for sale of graded eggs that have not been candled or graded a violation of the act
- failing to properly mark containers as a violation of the act
- establishing a minimum sampling size of 100 eggs for regulatory activities the same as the federal standard

*Senate Agriculture*  
*2-8-00*  
*Attachment 1*

The federal government made effective in October 1999 new regulations for egg handling that had been identified by the President's Council for Food Safety (7 CFR Part 56 pursuant to authority in 7 U.S.C. 1621 -1627). One main purpose of the new provisions is to reduce by 50 percent the occurrence of Salmonella Enteritidis illness across the country. 300,000 cases of the disease were estimated in 1997 by the U.S. Centers for Disease Control and Prevention (CDC). The federal government's action plan encourages the states to adopt these provisions as soon as possible. KDA's current inspections are already finding that the industry is implementing and complying with the new temperature requirements.

Kansas law currently provides that a producer selling only eggs of his or her own flock's production is exempt from the provisions of the act. This legislation does not change that exemption. However, if anyone, including a producer, wants to offer eggs for sale with a grade, then the new provisions require that he or she comply with the egg law's requirements for temperature, labeling, candling and grading. The new language also sets out the requirement for labeling eggs offered for sale with "Keep Refrigerated" or words of similar meaning.

The legislation also updates the language to reflect the change from the board of agriculture to the secretary of agriculture and to increase the late fee from \$1.00/day to \$5.00/day. However, with the proposed language, the secretary will now have discretion when assessing this late fee. The current statute has made late fees mandatory, even in situations where legitimate extenuating circumstances have occurred.

Finally, we have reviewed these proposed changes with the Kansas Poultry Association and their representative, Dr. Scott Beyer of Kansas State University. They have indicated their concurrence with these changes.

Thank you for the opportunity to testify and I am happy to try to answer any questions the committee may have concerning this legislation.

**Testimony presented to  
Senate Committee on Agriculture  
By  
Derek Schmidt  
Legislative Liaison and Special Counsel  
Office of Governor Bill Graves  
February 8, 2000**

**House Bill 2527**

Mr. Chairman and members of the committee, thank you for the opportunity to testify this afternoon on House Bill 2527. My name is Derek Schmidt, and I serve in the Office of the Governor as legislative liaison and special counsel.

I know the Committee has spent considerable time in prior meetings discussing the details of this legislation, so I will not focus on the workings of the bill. I will be straightforward and brief. My purpose today is to deliver to the Committee the message that Governor Graves supports this legislation.

For many agricultural producers, this bill is about survival. It is aimed at getting much-needed cash into the hands of those producers who face a cash-flow crisis. And it is designed to get cash to those producers rapidly, not at some point in the distant future.

The administration encourages the Committee and the Senate to pass this legislation.

*Senate Agriculture  
2-8-00  
Attachment 2*