

Approved: 3-21-00
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Steve Morris at 10:00 a.m. on March 16, 2000, in Room 423-S of the Capitol.

All members were present except: Senator Christine Downey (E)
Senator Tim Huelskamp

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

Conferees appearing before the committee:

Representative Daniel Thimesch
Connie Halls, Director, Kansas Meat Processing Association
Terry Miller, Bern Meat Plant
Dr. Curtis Kastner, Professor, Animal Science, Kansas State University
Dr. James Marsden, Distinguished Professor, Animal Science, Kansas State University
Connie Fischer, Director, Agriculture Products Development Division, Kansas Department of
Commerce and Housing

Others attending: (See Attached)

Senator Corbin made a motion to approve the minutes of the March 14, 2000 meeting and the March 15, 2000 meeting as submitted. Senator Clark seconded. The motion carried.

Informational Briefing on Small Locker Plants:

Representative Daniel Thimesch provided numerous printouts concerning small processing plants that are state-inspected not being able to market their products across the state line (Attachment 1). He stated that other states have programs they have implemented that are working well for marketing farmers and ranchers products.

Connie Halls, Director, Kansas Meat Processing Association, testified that owners of small and very small meat processing businesses in Kansas have identified two primary issues for which they are seeking assistance from the Kansas Legislature and those are: interstate shipment of meat from state inspected facilities and disposal of offal from deer processing (Attachment 2).

Terry Miller, Bern Meat Plant, appeared before the Committee to relay three areas of importance to small processing plants. These are: to continue funding for state inspection program, to endorse interstate shipment of state-inspected meat, and to request tax credits for plant improvements which were required in order to comply with the Sanitation Standard Operating Procedures (SSPOS) and Hazard Analysis and Critical Control Points (HACCP) (Attachment 3).

Dr. Curtis Kastner, Professor, Animal Science, Kansas State University, provided a summary describing HACCP, food safety and value-added support programs and assistance that Kansas State University in cooperation with the Kansas Department of Agriculture, Kansas Department of Commerce and Housing, and USDA have provided to the Kansas meat and poultry industry so they may adapt and comply with required changes in government regulations (Attachment 4).

Dr. James Marsden, Distinguished Professor, Animal Science, Kansas State University, testified that there has been a revolution in food safety over the past few years. Dr. Marsden stated that Kansas state-inspected plants are meeting the performance standards and there is no reason why their products should

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE, Room 423-S of the Capitol, 10:00 a.m., on March 16, 2000.

not be allowed to ship across state lines (Attachment 5).

Connie Fischer, Director, Agriculture Products Development Division, Kansas Department of Commerce and Housing, provided an overview of the financial assistance the Kansas Department of Commerce and Housing has given to meat processors throughout the state and emphasized the Department will continue its strong commitment (Attachment 6).

The next meeting will be March 21, 2000.

From: <ksrc@midusa.net>
To: <thimesch@house.state.ks.us>
Date: Tue, Mar 7, 2000 9:49 AM
Subject: FW:http://www2/startribune.com/stOnLine/cgi-bin/article?thisStory=81439946

Thought you'd be interested in this.

Mary Fund, Ks. Rural Center

From: "K.P. Neuforth" <neuforth@mail.midusa.net>
To: <cowsrus@midusa.net>
Subject:
<http://www2/startribune.com/stOnLine/cgi-bin/article?thisStory=81439946>
Date: Sun, Mar 5, 2000, 4:00 AM

Published Saturday, March 4, 2000

State meat inspections benefit small livestock producers, processors
By JOSH L. DICKEY / Associated Press Writer

EDEN PRAIRIE, Minn. (AP) -- Jodi Yotter parks the "Porkmobile" and waits. Customers will come, attracted to the notion of buying farm-fresh meat from a local producer.

Yotter and husband Tom raise hogs near Cambridge. Two years ago, plummeting prices all but ruined their family farm's future. They collected \$17,818 for 180 hogs at market in April 1998; eight months later, when the same number of hogs fetched less than one-fourth the price, it was time to rethink the family business.

Today, the Yotters' direct marketing business is possible because a year-old state meat inspection program is cutting out the middleman.

"I think we're an example of a dream come true," Yotter said. "We've had to do something innovative to keep ourselves going. Without the state, that wouldn't have happened."

In the past, the Yotters drove their hogs several miles to a federally inspected packer, where they were paid whatever the plant would offer. Their meat would change hands at least four times -- sometimes over a period of several days or weeks -- before landing anonymously in grocery stores and restaurants.

Now, the Yotters take their hogs to Lorentz Meats and Deli, a small, state-inspected operation in Cannon Falls. A few days later, the Yotters load packaged pork, bearing their own Circle Family Farms brand name, into two freezer-trailers -- dubbed "Porkmobiles" I and II -- to sell directly to consumers.

*Senate Agriculture
3-16-00
Attachment 1*

Lorentz Meats expanded its business from cutting meat for farmers to producing, packaging and labeling finished products after the state started inspecting plants at the beginning of last year.

Co-owner Mike Lorentz said his business would have never taken the leap under the U.S. Department of Agriculture. While the state must follow the same guidelines as the USDA, Lorentz said state inspectors are accustomed to dealing with smaller operations and can offer more help and suggestions for achieving compliance.

The Yotters saw their opportunity when Lorentz Meats began producing brand names for smaller producers, and they took advantage of the emerging niche. Now they travel the state selling breakfast sausages, bratwurst and large, quarter-hog variety packages in parking lots and farmers' markets.

Last year, the Yotters did nearly \$190,000 in sales, and have joined the ranks of e-merchants with their Web site, <http://www.porkforsale.com>.

Before the program began, about 100 large packing facilities in Minnesota were the only in-state option for livestock farmers. Most facilities are run by large, national food processors making their own brands, like Austin-based Hormel Foods Corp.

Smaller processing plants, afraid to deal with federal regulators in Washington, shied away from expanding their businesses beyond cutting custom meat for farmers and a handful of consumers.

Now, state inspectors are allowing the 15 plants under state inspection to bring old-time sausage recipes and farm-fresh meat to grocery stores, butcher shops and restaurants across Minnesota.

"It's like untying our hands," said Lorentz. "We can actually sell stuff."

While the USDA is required to inspect any operation that requests it, Lorentz said the agency "isn't very excited about taking on small plants. It's not that they're wrong, and it's not that they're evil, they're just not good at dealing with guys like us."

Kevin Elfering is the meat inspection supervisor for the Minnesota Department of Agriculture. He said the USDA is geared toward regulating large, assembly line-type operations.

"A lot of these small plants really fear the USDA," Elfering said. "There are plenty of horror stories of how they close plants down. But they know me. They know my telephone number. They don't know who to call in (Washington) D.C."

Nathaniel Clark, manager of the USDA food safety inspection district including Wyoming, North Dakota, South Dakota, Montana and Minnesota, said the USDA welcomes the growing popularity of state meat inspection. In fact, the USDA funds half of the state program's \$675,000 annual budget in part to lessen its own load.

" I've heard many times that the state programs are better able to handle the mom-and-pop operation. That certainly is the perception, " Clark said. " That may be true, but that doesn't mean we don't have the capability."

The state program is already operating at capacity, Elfering said, with an average of one inspector to every four plants. On Feb. 11, the USDA approved the addition of poultry to the list of state-inspected meats; the Legislature is considering bolstering the program's funding this session to expand from seven inspectors to 13.

It's not likely the expansion will end there. At least a dozen plants are building or remodeling to join the program in the near future.

" I really believe that by the end of this year, we'll be inspecting 30 plants, " Elfering said.

Wisconsin has been inspecting meat for nearly 30 years. Elfering said he wouldn't be surprised if Minnesota eventually catches up to its neighbor -- with more than 300 state-inspected plants and 100 inspectors -- in the not-too-distant future.

Terry Burkhardt, director of Wisconsin's meat and safety inspection program, said many formerly state-inspected plants there started out small, but graduated to the USDA because under federal law, state-inspected meat can only be sold within the borders of that state. To expand their markets beyond those borders, it's necessary to go under federal inspection.

That, too, is likely to change soon. The USDA has recommended Congress repeal the ban, which is expected by many to happen by the end of next year. Secretary of Agriculture Dan Glickman supports the act and says state inspection programs are ideal for handling small plants.

The impending repeal was a factor in Minnesota's decision to start up its inspection program, Elfering said. Without it, smaller producers would be left out of a whole new field of competition.

But what's more important, Elfering said, is that formerly floundering businesses in the state are beginning to boom.

" Things are going good; we're getting really busy, " said Lorentz, whose company is completing its expansion with a new \$2 million processing facility. " It's allowed us to bring locally-grown food to consumers without dumping bucketloads of money into it."

On the Net: Minnesota Department of Agriculture site:
<http://www.mda.state.mn.us>

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By SOLVEIG TORVIK
SEATTLE P-I EDITORIAL BOARD

The federal government can order a recall of unsafe toys or cars. But thanks to a profoundly derelict Congress, it cannot order the recall of unsafe meats.

So if you and yours love cold cuts, hot dogs or soft cheeses, listen up: This column's for you.

Picture a lethal bug that likes cold, one that thrives on refrigeration rather than being killed by it. Imagine a critter nasty enough to survive in your body for eight weeks before it makes you sick enough that you could die. This is *Listeria monocytogenes*, and it kills about 500 people a year in this country and sickens 2,500.

Ironically, the very refrigeration that consumers assume keeps food safe works in reverse with *Listeria*: It prolongs shelf life and gives the bug a better chance to work its mischief.

We know all about the dangers of *E. coli* in undercooked hamburgers around here, and we've heard plenty about the dangers of salmonella poisoning from contaminated chickens and other foods. But few of us know much about *Listeria*, which can cause meningitis or lodge in the placenta of pregnant women.

That's largely because the U.S. Department of Agriculture hasn't bothered to tell us much about it -- even in the midst of the 1998 *Listeria* outbreak that killed 21 people and sickened at least 100.

It was traced by the Centers for Disease Control to Sara Lee's Ball Park franks and deli meats produced at Bil Mar Foods processing plant in Michigan, which has been the source of four product recalls in recent years.

Even though the *Listeria* outbreak spread to 22 states, the USDA never shut the plant down.

On Dec. 22, 1998, Sara Lee quietly recalled an estimated 35 million pounds of hot dogs and deli products, one of the largest such recalls in history.

If you missed that recall, it's likely because the USDA didn't even issue its standard press release to inform you of the danger and what Sara Lee was doing about it, Washington Post reporter Peter Perl discovered during an investigation into the USDA's botched handling of the outbreak.

And Sara Lee's own press releases announcing the voluntary recall failed to mention that four people had died, according to The Post.

So consumers continued to eat the tainted meats, and they continued to die from it, the CDC determined. The result was the most lethal case of food-borne illness in the United States in 15 years.

It also may have escaped your attention that, as a result of that outbreak, the USDA and CDC last May issued a warning to consumers who are pregnant, elderly, diabetic and to cancer or AIDS patients not to eat cold cuts or hot dogs unless they fully recook them.

If you're ignorant of this warning, that's how the meat processors and those who regulate them apparently want it. There's nothing on the labels of these products to warn consumers to recook the meats.

Let's get real here: Who would imagine cold cuts should be cooked?

The USDA has oversight of the nation's food processing plants. But as the Listeria outbreak damningly illustrated, it's a largely let's-pretend oversight.

For starters, the agency has no authority to order recall of unsafe products produced at the plants. That's strictly voluntary.

But the USDA can withdraw federal inspections, which has the effect of closing the plant. That's a drastic step for bureaucrats who may be more worried about their careers than public health.

In any case, it never happened in the Bil Mar Listeria outbreak. (It's noteworthy that the plant had earned 45 "noncompliance" writeups from USDA inspectors by the end of 1998, the year of the outbreak.)

The USDA does not have authority to force warning labels onto products to recommend such safety precautions as cooking cold cuts.

Neither does it have authority to force the processing plant operators to adopt the microbial tests that are required in slaughterhouses. Any bacteria testing that does go on also is strictly voluntary.

And USDA does not have the authority to impose penalties for repeated violators either.

Yet all this scandalous negligence is sold to the citizenry as consumer protection.

Congress is the source of the USDA's powers to protect consumers. But when it comes to food processing plants, Congress has seen fit to side with the financial interests of food processors rather than to empower the USDA to protect consumers.

For example, Agriculture Secretary Dan Glickman repeatedly has sought mandatory recall powers from Congress but has failed in the face of protests from the industry. Even some former meat industry executives think matters have gone too far in favor of the industry.

Mandatory bacteria testing must be imposed and food processors must revamp their plants to create a germ-free environment similar to that of the milk or pharmaceutical industries, James Mardsen, retired president of the American Meat Institute Foundation and professor of meat science at Kansas State University, told the Post.

That seems obvious if they're to keep the confidence of their customers.

Sen. Tom Harkin, D-Iowa, ranking Democrat on the Agriculture Committee, for the past two years unsuccessfully has tried to enact the Safer Meat

and Poultry Act. It would give USDA recall powers and authority to impose civil penalties.

Food-borne illness kills 5,000 people a year in the United States, according to the CDC. It sickens 76 million annually -- that's almost a quarter of the population -- and hospitalizes 325,000. All told, it costs the nation \$30 billion in medical expenses and lost productivity, the government says.

Congress requires the USDA to provide cost-benefit analysis for any regulation imposed on business. The CDC's statistics make the case for the need to improve the safety of the food supply, including processing plants.

Congress shouldn't need another Listeria outbreak to justify passage of Harkin's bill. The USDA needs teeth sharp enough to sink into the hides of careless meat processors.

Solveig Torvik is an editorial writer and a member of the Post-Intelligencer Editorial Board. E-mail: solveigtorvik@seattle-pi.com



EMPOWERING KANSAS PRODUCERS TO MARKET THEIR OWN MEAT

Today the price ranchers receive for their cattle is near a 30-year low, while the prices you pay at the grocery store are at an all-time high!

St. Paul, Minn. In just its first full year of existence, Minnesota's State Meat Inspection Program has become wildly popular among farmers and small-scale meat processors. By shortening the distance from farm gate to dinner plate, the fledgling programs presents a profitable alternative to more traditional marketing options.

Malta, Montana - Cattle ranchers in north-central Montana are taking their business to a new frontier; the Internet.

Frustrated with traditional marketing methods, the group is selling steaks, burgers and roasts directly to consumers. Their site is www.beef.com.

They promote the fact that all the meat is grown, packaged and sold from Montana, so customers know exactly where their dinner comes from.

Bismark, N.D. Plans for a rancher-owned beef processing plant in the upper Midwest are taking a new form.

The Dakotas Beef Marketing Project, based in North and South Dakota, is requesting an \$84,000 grant from the North Dakota Agricultural Products Utilization Commission to look into forming a producer-owned processing and marketing enterprise.

To: Rep Dan Thimesch

From: Cindy Roupe

Date: 1-19-2000

Re: Contact with state associations affiliated with the American Association of Meat Processors

Arkansas

Robert McDaniel, Arkansas Meat Processors. Arkansas used to have 40-50 small processors. Now, "only a handful". McDaniel sees this as part of a ten year trend.

Colorado

Gary Baysinger, Colorado Association of Meat Processors.

On the western slope he has seen 4 small/ medium processors have ceased slaughtering and now just process meat. Many of the plants were older and would need extensive remodeling.

Indiana

Mr. Dewig said he had definitely seen an impact on small processors. He could think of 2 that were going out of business. He recommended I talk with the Indiana Board of Animal Health.

The Indiana Board of Animal Health (317-227-0355) gave me figures on the number of plants: December 1999, 107 official plants, 37 custom exempt; December 1998, 111 official plants, 32 custom exempt. *Total ~~plants~~ loss 9*

Minnesota *(state)*

I talked with Kevin Elfering of the Minnesota Department of Agriculture (651-297-7453). former inspector. The Minnesota State inspection program is relatively new. He has not seen any decline in the numbers of meat processors. Training was done by the Minnesota Southwest State University and the Agricultural Utilization Research Institute(www.auri.org). The state inspectors worked with the processors on a one-to-one basis.

Minnesota Association of Meat Processors

I left an email message and answering machine message with Edward Lorentz, Executive Secretary.

Nebraska *(Federal)*

Dennis Schardt of the Nebraska Association of Meat Processors, reported that 4 plants went to "custom exempt" status. Other than that, he hadn't noticed much of an impact.

Other states that I attempted to contact were Illinois, Iowa, and Missouri. All had answering machines or no one answered the phone.

for Don

HOUSE BILL No. 2865

By Committee on Agriculture

2-4

stays in top

9 AN ACT concerning income taxation; providing a credit therefrom for
10 certain expenses incurred by food locker plants.
11

12 *Be it enacted by the Legislature of the State of Kansas:*

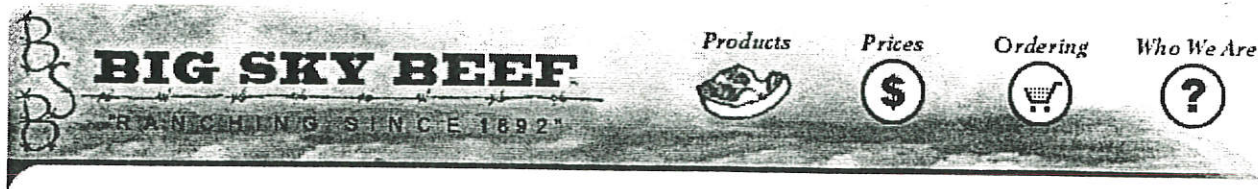
13 Section 1. (a) For all taxable years commencing after December 31,
14 1997, there shall be allowed as a credit against the tax liability of a taxpayer
15 who operates a food locker plant imposed under the Kansas income tax
16 act, an amount equal to any expenses paid for improvements in the fa-
17 cilities of such food locker plant. The credit allowed by this section in any
18 taxable year to the taxpayer shall not exceed \$10,000. If the amount of
19 such tax credit exceeds the taxpayer's income tax liability for any such
20 taxable year, such excess amount may be carried over for deduction from
21 the taxpayer's tax liability in the next succeeding taxable year or years
22 until the total amount of the tax credit has been deducted from tax
23 liability.

24 (b) As used in this section "food locker plant" means a plant which:
25 (1) Is inspected by the Kansas department of agriculture as provided
26 under the Kansas meat and poultry inspection act; and

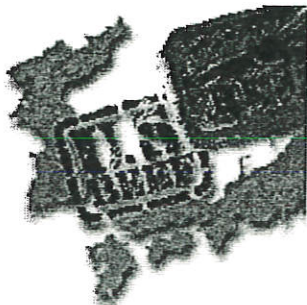
27 (2) prepares meat, meat food products, poultry or poultry products
28 which have been inspected and passed and which are being prepared and
29 sold in normal retail quantities; or

30 (3) prepares such meat, meat products, poultry or poultry products
31 for the owner of such food locker plant.

32 Sec. 2. This act shall take effect and be in force from and after its
33 publication in the statute book.



USDA does not Mean Grown in the USA!



Today the price ranchers receive for their cattle is near a 30-year low, while the prices you pay at the grocery store are at an all-time high! Why? In 1998, more than 30 billion tons of foreign food was imported into the U.S. In one year, nearly 300 million pounds of Foreign Beef comes into the U.S. from Central and South America; all stamped with the same USDA stamp as our American Beef. USDA does not mean grown in the USA!

There are two big, potential problems with foreign beef from some countries: environmental destruction and food safety/quality. Many ranches and farms in Central and South America do not raise their cattle to the same standards of quality and agricultural standards set by the USDA. This can result in environmental abuses and destruction; including "super-cow" animal growth through hormones, the use of banned chemicals and pesticides, and non-sanitary slaughter and meat processing. Foreign meat processing plants are not inspected and regulated to meet USDA standards. All of these can result in unsafe and/or certainly lesser quality beef making it to your dinner table.

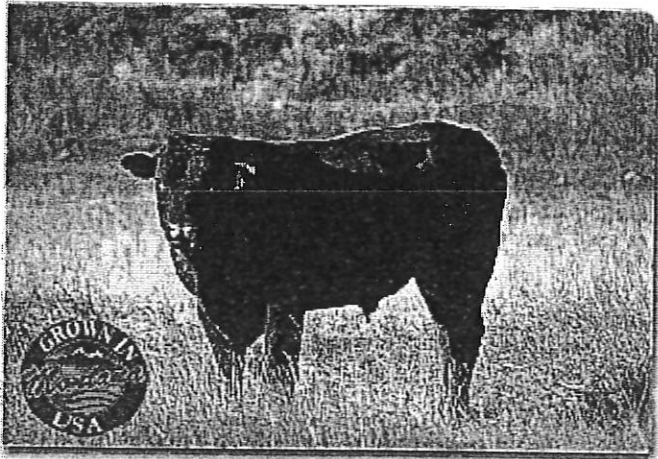
Additionally, a lot of foreign beef ends up in hamburgers sold through our famous fast food restaurants. These well-known companies buy much of their beef from Central and South America and Australia, not from the USA and our American ranches. Yes, your favorite hamburger joint is on the list. Chances are your favorite grocery store, supermarket, and restaurant are on the list, too. The problem is, they, like you, don't even know they are buying foreign beef. **USDA does not mean grown in the USA!**



One conservation group, The Rainforest Action Network, estimates that one 1/4 lb. hamburger destroys 55 sq. feet of rainforest, which contains one giant tree, 50 smaller trees, 20-30 different tree species, over 100 different species of insects, as well as many birds, mammalian and reptilian species. Obviously, rainforest destruction is caused by strip mining and logging and is not caused by cattle grazing. However, the grass that grows from the land that was strip mined or logged over is only good for two years; so more forests are continually destroyed in order to provide new resources and "cheap" cattle grazing land. At any rate, rainforest destruction from strip mining and logging is alarming. The ranchers are simply taking advantage of the cleared rainforest to graze their cattle. This "cycle for profit" is wiping out the rainforests altogether. Therefore, the purchase of beef from countries that graze cattle on land that once was a rainforest continues to feed this "cycle for profit" endlessly.

All of these issues and others present new challenges for the USDA. Whether your food comes from the USA or Central America, the longer it takes to reach your table, the higher the risk for food-borne illness. Peggy M. Goegeding, an agricultural expert at North Carolina State University states "since only a tiny fraction of imported foods undergo inspection, it's almost impossible to keep a nasty microbe from hiding." The U.S. Center for Disease Control warns, "Imported foods are an increasing proportion of the diet and often come from developing countries where food hygiene and basic sanitation are less advanced". Additionally, the World Health Organization is ringing alarm bells about "emerging" food-borne diseases due to the "globalization of the food supply". On July 3, 1999, President Clinton said "some recent outbreaks of food-borne illness have been traced to imported foods, and with Americans eating increasingly from an international plate, this is an important issue for all of us." A top U.S. priority ought to be "educating other countries in improving their own sanitation" says Robin Yeaton Woo, a food-safety expert at Georgetown University in Washington.

The reason for this travesty is simple, there are no federal "country-of-origin" labeling requirements for beef, or any other food product that we import. However, there is for your dog's rawhide chew toy!?! That is not only outrageous, it's dangerous! If it is so important to know where our pets' food and chew toys come from, why don't they think it is equally important for us to know where our food comes from? Especially when foreign food is not grown or produced to the same safety, food quality, sanitary conditions and environmental standards as American-grown food products.



At Big Sky Beef, all of our cattle are Montana-Raised Angus, raised on the open prairies in a stress-free, healthy, safe and natural environment. Prehistoric glaciers carved our prairies millions of years ago, not diesel-fired bulldozers. In Montana, this phenomenon created some of the best grazing land found anywhere in the world, naturally! Additionally, many of the Big Sky Beef ranchers have won numerous awards and recognition for their soil, land, animal and water conservation.

So...what are you waiting for? Call Big Sky Beef today so you and your family can enjoy safe, great tasting, environmentally sound, Montana-Raised Angus Beef! And now it's fast, easy, and convenient! Just call 1-800-MT-Angus or order from this site!

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[HOME](#)



What We Stand For - The People of Big Sky Beef

We are land-loving, God-fearing people. We take great pride in the quality of our beef and in the heritage of our ranches. We are second, third and fourth generation ranchers, with the fifth generation already in the saddle. Most of our ranches are on the land that our forefathers homesteaded in the late 1800's and early 1900's. Our deep sense of pride comes, not only from the high quality of our Angus cattle, but also from the satisfaction of maintaining the land and family traditions that have been part of our families for almost a century.



Prehistoric glaciers carved our prairies millions of years ago. This natural phenomenon created some of the best grazing land in the world. Our nine ranches encompass almost 250,000 acres of this pristine "all natural" land. This land includes open prairies, rolling hills, and rich river bottoms. The land is rugged and demanding, yet beautiful and bountiful with fertile grasslands. We also have an abundance of wildlife including Canadian geese, wild turkeys, pheasants, coyotes and wolves, elk, moose and deer, antelope, bears and mountain lions.



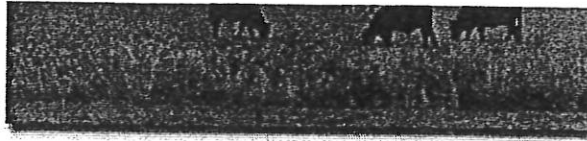
Together, our herds average more than 12,000 of the best Angus cows found anywhere in the world, 1,000 yearlings, and more than 300 registered Angus bulls. Each ranching season our herds grow to more than 25,000. These cattle graze on the open ranges of the Missouri River plateaus and highlands, consuming some of the highest quality grasses in America. Not one Angus steer is crowded either; in Big Sky Country each one of our cattle can roam over thousands of acres. This helps us to raise stress-free cattle. We also farm almost 20,000 acres of wheat, barley, alfalfa, oats and corn to supplement their diets and to sustain them through the long, cold winters.

We are proud to be ranchers and farmers, we greatly value Montana's natural beauty, history, and resources and strive to protect and conserve the land by all possible means. Together, we have allocated more than 12,000 acres to the



1-12

Conservation Reserve Program, which allows land to remain for 10 years in its natural state so plants and animals can live undisturbed. We also use proactive measures of conservation on our remaining acreage, to preserve the land and environment.



These measures include providing cover along creek and river banks to prevent erosion; rotational grazing; the planting of shelter belts and wind breaks; and the development of springs, ditches, canals and pits to both irrigate and control the runoff that causes erosion. We also protect our native wildlife. Designated fields are left unmowed to provide a place for the animals to feed and to find cover. The windbreaks and other plantings, such as cattails along the creeks, provide shelter and food as well. Natural grasses are replanted to replenish grazing fields. We understand that in order to maintain the natural balance and harmony of Montana, we must respect and preserve our environment.

Big Sky Beef is so vitally important to us because it allows us to ensure that we will be able to preserve our ranches, family traditions and American Heritage at a time when our industry is being overrun by vast corporate operations. These large companies have no stake in the beef they sell beyond the bottom line. The money a rancher receives for selling his cattle today is near a 30 year low, while the price you pay at the grocery store is at an all time high. Foreign beef is coming in from all over, Central and South America, Mexico, Australia and Asia. Corporate America is selling "cheap beef" and you are paying for it and don't even know it. We sell the very best premium Angus beef found anywhere, yet you are charged top dollar for foreign beef. Corporate America is killing the beef industry with its low-grade imported beef while raping third world countries for the almighty dollar. So the ranches of Big Sky Beef have decided to change the way they do business. Our ranchers are bringing to you their Montana-Raised Premium Angus beef, right to your front door, from our family to yours.

Ranching is very demanding work, involving extraordinarily long hours of grueling physical labor and often personal sacrifices, but the beauty and simplicity of life in Montana, the preservation of our heritage and the satisfaction gained from this sense of accomplishment make everything worthwhile.

We invite you to meet our families and learn a little more about our Montana ranches and our way of life. You can learn more about our ranches and ranchers at [The Ranchers of Big Sky Beef](#). Try some of our Montana-Raised Angus beef and taste the difference. Or better yet, give us a call, write us a letter or just stop by and visit.

[HOME](#)

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Minnesota State Inspected Meat Plants

Plants Currently Operating Under State Inspection

1. **J & B Meats, Barnesville.** New slaughter processing plant, that has farmer direct marketing.
2. **Mason Bros., Wadena.** Grocery and meat wholesaler which services 75-100 small retail stores. New meat processing facility.
3. **Klinder Processing, Carlos.** Slaughter processing plant. Newly remodeled to expand their sausage making operation.
4. **Hancock Meats, Hancock.** Slaughter processing. Old business had been closed. Remodeled and re-opened under state inspection.
5. **Pfeffer's Country Market, Sauk Centre.** Slaughter processing. Newly remodeled, also slaughter elk, red deer, and bison under state inspection.
6. **Pep's Pork, Melrose.** Raises hogs and processes on his own farm. Family operation that expanded to meet sausage-making demands.
7. **Plantenberg Meats, Richmond.** Slaughter processing plant selling locally raised cattle and swine in their grocery store.
8. **Belgrade Meat Center, Belgrade.** Slaughter processing. Remodeled to process locally raised cattle and swine, and to process for farmers that direct market.
9. **Rhine Lake Butcher Shop, Finlayson.** New slaughter processing facility.
10. **A & M Processing, Hamberg.** Remodeled processing plant that wholesales to grocery stores.
11. **Lake Winds Natural Foods, Minnetonka.** Processing facility that sells wholesale to Food Co-ops.
12. **Trudeau Distributing, Burnsville.** Processing plant wholesales to grocery stores. Produce "Rudolph's" brand meat products.
13. **The Sausage Shop, New Ulm.** Processing plant that wholesales products to restaurants.
14. **Odenthal Meats, Heidelberg.** New slaughter processing facility that sells locally raised animals.
15. **Lorentz Meats, Cannon Falls.** Processing plant for farmers that direct market.

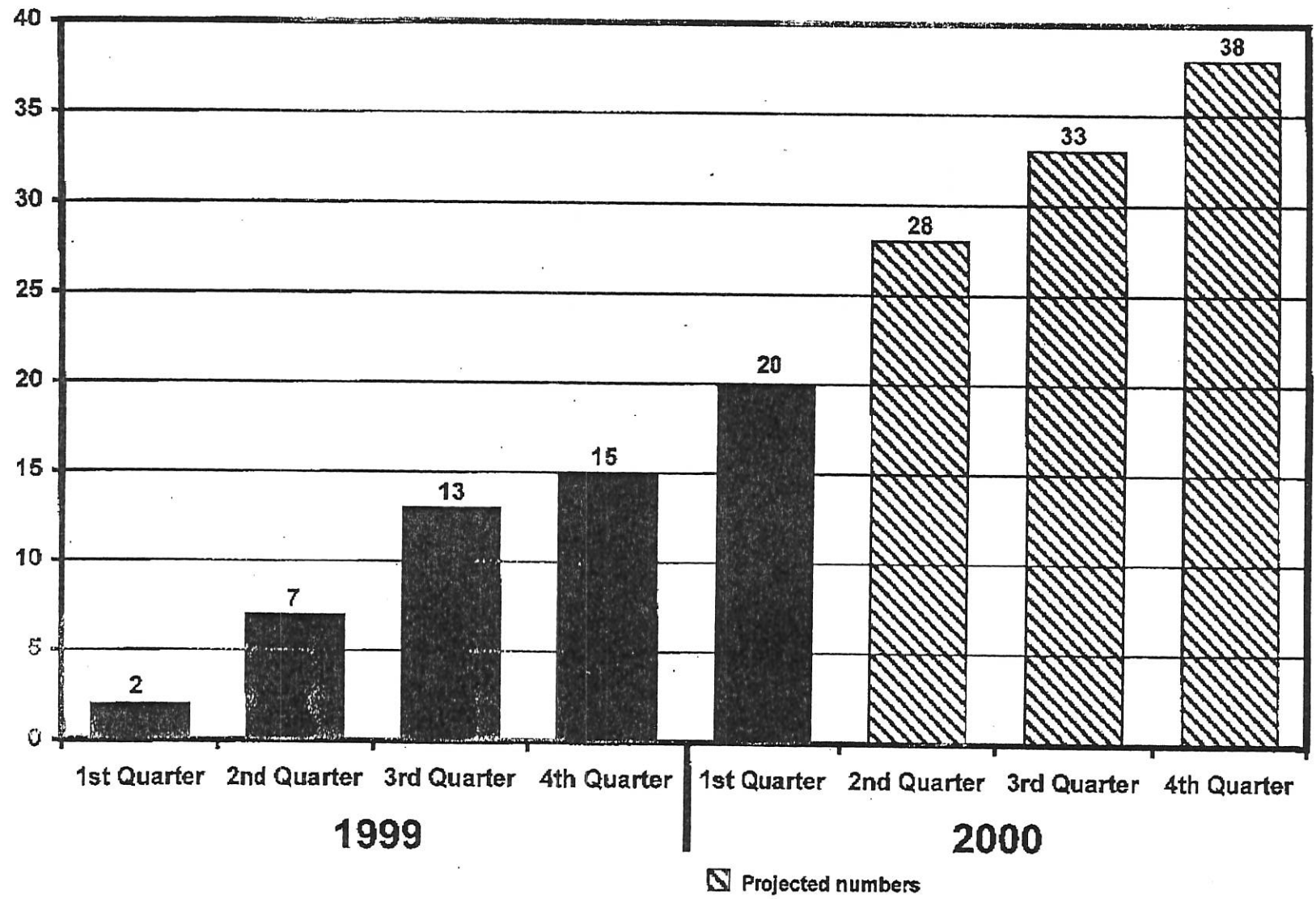
Plants Under Construction or Remodel

16. **Nusbaum Meats, Le Center.** Slaughter/process locally raised hogs.
17. **JD Meats, Lonsdale.** Hog raiser that will slaughter under inspection for direct marketing.
18. **Lorentz Meats, Cannon Falls.** New facility, which will slaughter and process for farmers that are direct marketing.
19. **Buckridge Meats, Mileville.** Will slaughter and process for wholesale distribution.
20. **Schroeder Meats, New Germany.** Will process for wholesale distribution.
21. **Honey Baked Hams, Minnetonka.** Will process hams for wholesale distribution.
22. **French Lake Butcher Shop, French Lake.** Will slaughter and process for wholesale distribution.
23. **Dehmer Meats, St. Michael.** Will process for wholesale distribution.
24. **Fergus Locker, Fergus Falls.** Will slaughter and process locally raised cattle and swine.
25. **Henning Locker, Henning.** Plant was closed. New owners will slaughter and process cattle that they raise.
26. **Perham Locker, Perham.** Will slaughter and process locally raised cattle and swine.
27. **Lakes Processing, Detroit Lakes.** Will slaughter and process locally raised cattle and swine.

1-14

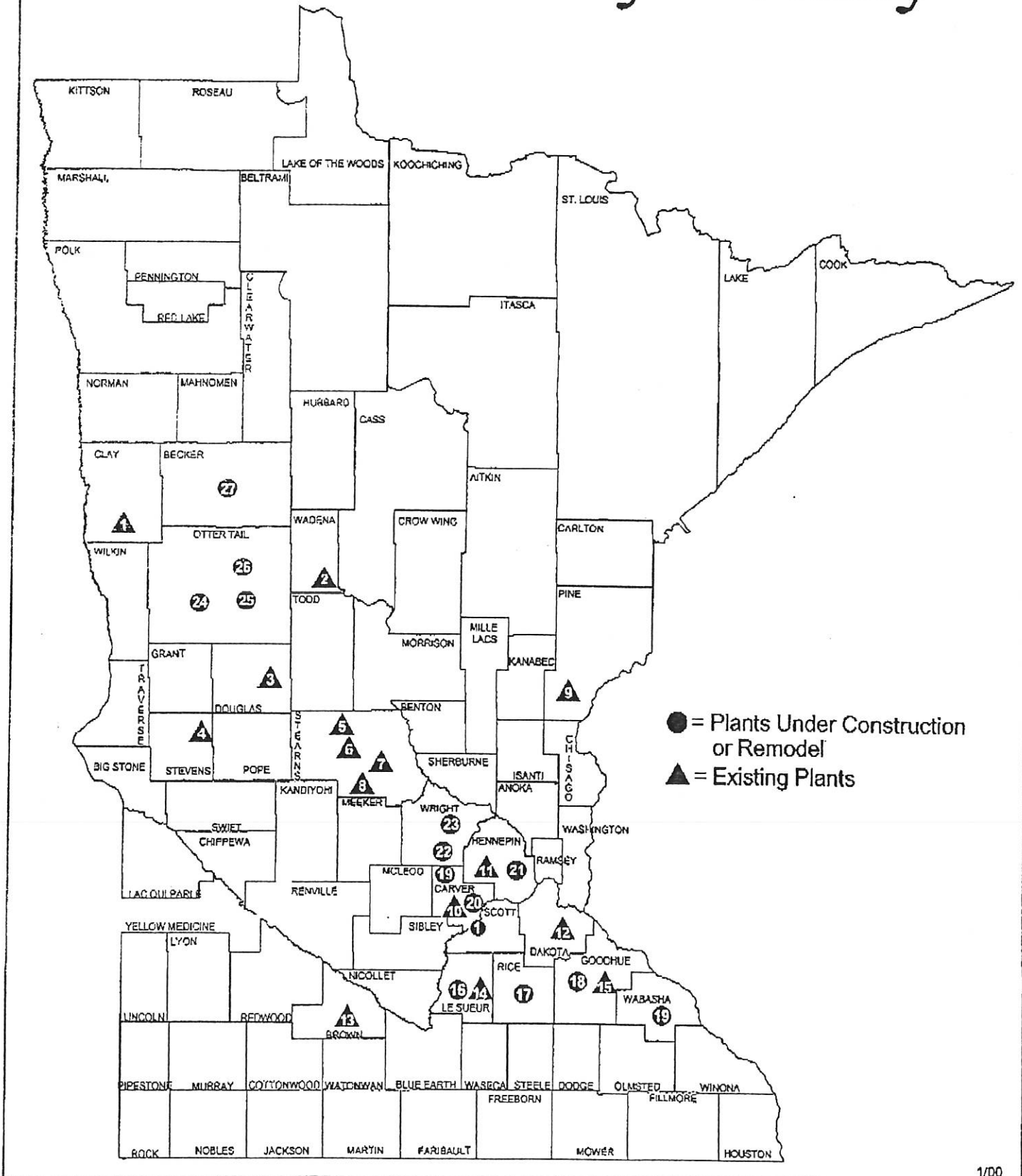
51-1

State Meat Inspected Plants Minnesota Department of Agriculture



15

Minnesota Inspected Meat Plants By County



● = Plants Under Construction or Remodel
 ▲ = Existing Plants

Kansas Cattlemen's Association

PO Box 251
Brewster, KS 67732
Phone (877) 694-2906
Fax (785) 694-2992
e-mail cowarus@midusa.net

January 26, 2000

Rep. Dan Thimesch
Kansas Legislature
300 SW 10th Avenue
Topeka, KS 66612-1504

Dear Rep. Thimesch,

The Kansas Cattlemen's Association with paid memberships of 496, is pleased to give support for the new meat inspection program and small, safe and environmentally friendly packing plants. These will not cause communities and citizens grief. This is what KCA is all about and that is to return more profit back to the farm and ranch gate, while keeping our communities thriving. If it can be done in Minnesota it can be achieved in Kansas. We have at KCA been promoting a program that does just what Minnesota has accomplished, while giving farmers profitable options on direct marketing to consumers.

We encourage all Senators and Representatives to help push for the rural revitalization of mainstreet throughout Kansas. Legislation like this will allow for the profits to be returned to producer's hometowns. It will allow more competition and at the same time provide a healthier product for consumers. We at KCA are ready for change that is positive for rural communities. Programs set forth will enable producers the opportunity for that. If nothing is changed in the current system you will see less and less people in the rural area and those that stay will be faced with higher taxes inevitably. Programs that allow producers to have control in there product selling will help create more competition in a non-competitive 4-packer monopoly, which we have today.

KCA is proud to be a leader in promoting what is best for all our producers not just a select few. If anyone should need any help with cattle issues, please feel free to contact the office at 785-694-2906.

Your friend in the cattle industry,

Mike Schultz Chairman
Kansas Cattlemen's Association

Meat Inspection, Packers and Stockyards Administration. But the department has rarely enforced the P&S Act, and has never ruled against large poultry processors. In late August, the US District Court sent the case back to West Virginia, stating "the state courts of West Virginia should first pass upon whether this unique theory of recovery is a legally viable one." In the past weeks, both parties have met before a judge who will rule whether Wampler technically sold chickens, feed, and medicine to growers, thereby allowing the case to be heard under the state's consumer protection act. Thus far, no other states have determined if contracts between poultry growers and processors constitute a "sale". But even if Wampler's motion to dismiss is denied next week, other portions of the case will proceed. As the case develops, the eyes of every poultry grower and processor in the US look towards West Virginia. (Baltimore Sun 4/16/99, AP 8/19/99, NCPGA, WV Office of the Attorney General)

For more information contact the National Contract Poultry Growers Association, 1.800.259.8100, <http://www.web-span.ccm/pgs/> or the West Virginia Office of the Attorney General 304.558.2021

BILL INTRODUCED TO EXPAND INTERSTATE MEAT MARKETING

A bill introduced in November by Sens. Tom Daschle (D-S.D) and Orrin Hatch (R-UT) will allow livestock producers and small meat packing plants to ship their meat across state lines. Currently, only federally inspected meat products may be shipped between states. Under the proposed New Markets for State-Inspected Meat Act of 1999 (S.1988), state inspection programs will cooperate with the USDA to enforce federal meat and poultry inspection laws and regulations within their states. Once in compliance, meat products inspected under the inspection program will qualify for interstate shipment. Proponents expect the bill to open up markets for farmers and ranchers who must currently sell in state. "Not only will this bill help farmers and ranchers, but it will also give a boost to the rural economy. Locally owned packing and locker plants will have an expanded market base for their product, creating more revenue and jobs," said NFU President Leland Swenson. The bill would also allow meat producers to compete against imported meat products that are already allowed to ship interstate. The bill was referred to the Senate Committee on Agriculture for review early this year, and is supported by every major farm group. (Congressional Press Releases 11/22/99,

For a copy of the proposed legislation, see the New Rules website at <http://www.newrules.org/cgi-bin/access/rules/biz/fed/inspect.html>

*Won't
do any
good without
plants*

News Release

FOR IMMEDIATE RELEASE: Thursday, December 30, 1999

Contact: Michael Schommer, Communications Director, 651-297-1629
Kevin Elfering, Food Inspection Supervisor, 651-297-7453

NEW MEAT INSPECTION PROGRAM GIVING FARMERS PROFITABLE OPTIONS

ST. PAUL, Minn. – In just its first full year of existence, Minnesota's State Meat Inspection Program has become wildly popular among farmers and small-scale meat processors. By shortening the distance from farm gate to dinner plate, the fledgling program presents a profitable alternative to more traditional marketing options.

Created by the Minnesota Department of Agriculture in November 1998, the program is designed to maximize food safety while also making it easier for the state's producers to sell their homegrown beef, pork and poultry directly to consumers. The state inspection program focuses on small to medium-sized meat processors, supplementing the U.S. Department of Agriculture's continuing focus on the largest processors. By taking their livestock to smaller processors, farmers can receive more individualized service. The farmer can also retain ownership of the meat, marketing it directly to consumers under the family's own brand name.

In January 1999, only one meat processor had volunteered to register with the MDA program, and the state was inspecting a paltry 100 pounds of meat per month. Just 10 months later, the program had jumped to 15 plants, representing a monthly processing volume of more than 100,000 pounds of meat. Today, 16 other processors from around the state are interested in joining the program, and MDA officials predict that by March the program could reach 200,000 pounds of meat per month.

Food Inspection Supervisor Kevin Elfering says the program's rapid growth shows how much interest farmers have in marketing directly to consumers.

"We're seeing this explosive growth because lots of livestock producers want to take control of their own destiny by marketing their own product," Elfering said. "Producers are finding that state-inspected plants are small enough to give personal service, but big enough to provide a variety of services and a high volume of top-quality product."

Farmers say they love the marketing flexibility the program offers, and meat processors are attracted to the program because state inspectors can help them update their food handling procedures and technologies.

- more -



In accordance with the Americans With Disabilities Act, an alternative form of communication is available upon request. TTY 1-800-627-3529

According to Minnesota Agriculture Commissioner Gene Hugoson, the state inspection program fits nicely with two dominant themes in today's agricultural sector: improving food safety and expanding farmers' marketing options.

"Farmers typically get less than 25 cents for every dollar consumers spend on food," said Commissioner Hugoson. "We often talk about the importance of farmers doing what they can to capture more of that consumer dollar, and we see the State Meat Inspection Program as a tool that can help them do that. This is also an opportunity for small-town businesses to expand. The economic potential for farmers, small businesses and rural communities is encouraging."

Elfering said producers are finding creative ways to market specialty meats to consumers. Many choose to sell the meat directly to consumers. Some work out deals with local grocery stores to get their products on the shelves. One farmer from northwestern Minnesota even bought a refrigerated trailer to truck his meat down to the Twin Cities.

"Farmers seem to be drawn to the idea of marketing their meat directly," Elfering said. "As popular as the program has become, I really don't see a slowdown for the next few years. This program has really caught the interest and imagination of farmers."

Leonard Yotter and his family raise pigs in Isanti County and take them to a state-inspected processor in Cannon Falls. After processing, they sell 30-pound boxes of pork chops, bacon and ham directly to consumers. He says the state meat inspection program has been a blessing for both farmers and consumers.

"We started looking for alternatives last year when pork prices dropped," Yotter said. "Now we sell a quality product at a fair price directly to consumers. We get excellent processing service, and about 60 percent or 70 percent of our customers are repeat business. This is a good program - I think more farmers should try it."

- 30 -

This release is available on the MDA website at <http://www.mda.state.mn.us>



Minnesota Department of Agriculture

MINNESOTA MEAT INSPECTION OVERVIEW AND HISTORY

The Minnesota Department of Agriculture's State Meat Inspection Program is designed to help farmers to market their beef, pork or poultry directly to consumers. The program was created to give farmers new marketing options, and judging by its growing popularity, it is successful.

The program was conceived in 1997, when the U.S. Department of Agriculture announced it would remove federal restrictions banning interstate shipment of state-inspected meat products. Previously, only products produced under federal inspection could be shipped across state lines. This announcement prompted Minnesota's small-scale meat processing industry to approach the MDA and request that a state inspection program be developed. Many of these facilities were custom processing plants allowed only to slaughter and process for farmers. The processed meat could only go back to the farmer for consumption by his or her family. The new program would not only place our meat industry on equal footing with border states that have state inspection, but would also increase the local marketability of meats processed in the small plants.

In addition to the small-scale meat processing industry, farmers' organizations and individual farmers grew intrigued about the potential of having more processing plants from which to choose. This would give them greater opportunity to market their own products. These farm organizations believe that direct marketing of meat products from the farm to consumer is a way that the agriculture community can increase their profitability in raising meat-producing animals.

In January 1999, Minnesota had its first meat processing plant begin operation under continuous state inspection. The first month's production was modest - a mere 100 pounds. Since then, 14 plants have joined the program. Six of the plants are new facilities. The other nine plants were operating previously as custom processors. These 15 plants now produce more than 100,000 pounds of product each month and slaughter more than 700 head of cattle or swine each month.

These facilities are quite diversified in their markets. Many purchase animals from farmers and then slaughter and process for their own retail sales. Others slaughter and process for farmers who are directly marketing to retailers and restaurants. Two of the companies are strictly wholesale and service more than 300 retail accounts in the state.

The growth of these processing plants is dramatic. Since January 1999, the plants under state inspection have added more than 30 full-time jobs and contributed more than \$1.5 million to the state economy in the form of construction activity and equipment sales. In the next few months, the volume of products processed by state-inspected facilities is expected to double.

A total of 15 plants are now under inspection, and three more will open this spring. In addition, 25 other facilities have indicated that they will seek state inspection. The major challenge now is to keep pace with demand. The current staff of eight inspectors and one manager would not be able to provide service for all the facilities interested in the program. The challenge is compounded by the fact that this staff also inspects 275 other processing facilities across the state.

Challenges aside, we are eager to continue development of the State Meat Inspection Program. Farmers like the marketing options it provides, processors benefit from the business opportunities it creates, and greater Minnesota benefits from the increase in jobs and economic activity.

MINNESOTA DEPARTMENT OF AGRICULTURE

WHOLESALE MEAT INSPECTION FACT SHEET

Minnesota Department of Agriculture
Dairy & Food Inspection Division

90 West Plato Blvd.
St. Paul, MN 55107
Phone: 651-297-2627
Fax: 651-297-5637

What are the limitations of purchasing meat items for sale/use at restaurants, temporary food stands, concession units and retail food establishments?

Retail food establishments and custom meat processors are licensed and inspected by the Minnesota Department of Agriculture (MDA), Dairy and Food Inspection Division (DFID). Retail meat departments are regularly inspected and are limited on the type and amount of meat they can wholesale or allow to be purchased for resale.

On December 28, 1998, the Minnesota Department of Agriculture, Dairy and Food Inspection Division, began a new Minnesota Meat Inspection Program that is "equal to" the United States Department of Agriculture (USDA) Meat Inspection Program. This service provides an option to small meat processors and slaughter plants to develop safe, wholesome meat products for distribution into intrastate commerce (at this time, the MDA "equal to" USDA inspected, passed and stamped meat cannot cross state lines). This "equal to" meat inspection program requires inspections at a much greater frequency than standard retail food establishments. This is to assure that the meat has been slaughtered and processed in a wholesome and approved manner. During slaughter, an inspector must be present to conduct an ante and post mortem inspection of each animal. Many wholesale meat facilities require an inspector on premises daily or when the meat for resale is being produced.

Only inspected, passed and stamped meat can be offered for sale. The inspected, passed and stamped meat must come from an approved facility that is under the meat inspection program offered by the United States Department of Agriculture (USDA), Minnesota Department of Agriculture "equal to" USDA or an inspection agency that is approved by the USDA and has inspection jurisdiction over the meat (such as Canadian Inspected etc.).

The Uniform Minnesota Food Code defines meat as "the flesh of animals used in food including the dressed flesh of cattle, swine, sheep, or goats and other edible animals, except fish, poultry and wild game, that is offered for consumption".

1) CUSTOM MEAT: Custom slaughtered or processed meat cannot be sold. At no time can a restaurant, temporary food stand, concession unit or retail food establishment sell or even legally give away custom processed meat/articles. By law, all custom meat must be identified as "not for sale". To eliminate any confusion, custom meat is prohibited from even being stored at a restaurant.

A person can slaughter livestock of their own raising, process it and transport the meat and meat food products interstate for use by themselves, members of their household, nonpaying guests and employees.

Without a licensed facility, a farmer can only sell a live animal (the new owner must have purchased the animal prior to slaughter). The new owner then can have it custom slaughtered and processed, but again only for use by themselves, members of their household, nonpaying guests and employees.

2) RETAIL MEAT: Only certain inspected meats can be purchased from a retail food establishment (which is defined in the Uniform Minnesota Food Code 4626 and includes but is not limited to: grocery store, market, bakery and restaurant) for resale at a restaurant, temporary food stand, concession unit or a different retail food establishment.

The following are allowed:

Any inspected, passed and stamped meat purchased in a commercially processed, hermetically sealed container from an approved meat processing plant (USDA, MDA "equal to" USDA, etc.). The package will have an emblem or stamp printed on the label identifying it as being inspected by the inspection agency having jurisdiction over the meat item (USDA, MDA "equal to" USDA, etc.).

Inspected, passed and stamped meat (USDA, MDA "equal to" USDA, etc.) that has been one step processed by a retail food establishment. e.g. fresh or frozen beef cuts and trim that are ground (the grinding is considered the first process step) into ground beef by a retail food establishment for use as hamburger by a restaurant, temporary food stand, concession unit. Meat cut into steaks or roasts are also considered a one step process.

Retail food establishments (grocery stores / meat markets) must limit one step processed meat to grocery store, restaurants and institutions. Not grocery store to grocery store, grocery store to meat market; meat market to grocery store, restaurant to grocery store, etc..

The total sales of the retail food establishment to hotels, restaurants, and institutions cannot exceed 25% of the retail food establishment's or meat processor's total annual meat sales volume. This 25% figure cannot exceed the dollar limitation per calendar year as set by the Administrator and is currently set at \$41,000.00 for meat, \$39,000.00 for poultry. The figure is automatically adjusted during the first quarter of each calendar year, whenever the Consumer Price Index indicates a change.

The following are not allowed:

One step items produced at retail establishments for resale cannot cross state lines.

Any meat item (from approved, passed and stamped meat) made or further processed with more than one process step, by a retail food establishment. This would include any meat that has the addition of spices, salt, curing, smoking, and/or cooking, etc. by the retail food establishment. Thus, a restaurant, temporary food stand, concession unit or other retail food establishment cannot purchase hot dogs, raw or smoked sausage items, cured or smoked meats such as hams, pizzas with meat, meat loaf, sandwich spreads, meat sauces and any other meat item which has two or more process steps and is made at a retail food establishment, grocery store, meat market, bakery or other restaurant.

There are additional limitations or regulations concerning the number of outlets operated by one owner. A retail food establishment may provide meat that has more than one process step to one other retail facility, provided the other location is of the same ownership as the first and the meat does not cross state lines. If more than two retail facilities are owned, the exemption is not allowed.

3) WHOLESALE MEAT DISTRIBUTOR: A restaurant, temporary food stand, concession unit or retail food establishment must purchase only inspected, passed, and stamped meat that was processed at an approved meat plant (USDA, MDA "equal to" USDA, etc.).

4) USDA or MDA "EQUAL TO" USDA MEAT INSPECTED WHOLESALE MANUFACTURER / PROCESSOR: A restaurant, temporary food stand, concession unit or retail food establishment can purchase meat wholesale directly from these facilities provided the meat has been inspected, passed and has the firm's inspection mark. A full service retail counter at an USDA or MDA "equal to" USDA meat inspected facility does not normally meet the inspection criteria for full or part time wholesale meat inspection. This is to allow the firm greater flexibility so they may better utilize that portion of the facility and equipment when the inspector is not present. Any meat purchased for resale/wholesale at the full service case usually must be an advance request, as a stamped meat item with the firm's inspection mark may not be available unless it is specifically asked for.

Any food item made that contains more than 3% raw meat or 2% cooked meat as an ingredient, and is offered at wholesale, is required to be produced in an USDA or MDA "equal to" USDA meat inspected facility.

This is a brief interpretation of the rules and regulations and is not intended to set policy or is for public interpretation. There are additional regulations concerning certain meats, poultry, game animals, buffalo and exotic species of animals. This handout was developed only to try to clarify an often asked question. If there are any questions concerning this matter, it would be wise for the interested party to contact the USDA Compliance Officer at (651) 552-8555, MDA Dairy and Food Inspection Office at (651) 296-2627 or their local state inspector or supervisor. This should be done prior to any governmental regulatory action being taken, or before an establishment begins to sell or purchase meat that may fall under these limitations.

The above information was taken from 9 CFR Ch III Part 303.1(d)(2)(III), Rule Chapter 4626, Dairy and Food Inspection Policy Memo's 85-26 and 87-20, plus memo 91-104.



April, 1999

In accordance with the American with Disabilities Act, an alternative form of communication is available upon request. TDD (612) 297-5353 or 1-800-627-3529. Page 2

1-23

Testimony before the Senate Agriculture Committee
On
Small Kansas Meat Processing Plants

Presented by Connie Halls
Kansas Meat Processing Association, Director

Halls' Meat Processing
Sabetha, KS

March 16, 2000

Senate Agriculture
3-16-00
Attachment 2

House Concurrent Resolution No. 5070

By Committee on Agriculture

3-7

9 A CONCURRENT RESOLUTION urging the Department of Agriculture, Department of Commerce, Kansas State Research and Extension of the College of Agriculture, Kansas Cattlemen's Association, Kansas Farm Bureau, Kansas Farmers Union, Kansas Pork Producers Council, Kansas Livestock Association and the independent small locker plants to assist producers of beef, pork and poultry to market their own products.

16 WHEREAS, Increased demand provides an excellent opportunity for producers and processors to market our outstanding quality Kansas produced beef; and

20 WHEREAS, There are no federal "country-of-origin" labeling requirements for beef, or any other food products that we import. Many well-known companies buy much of their beef from Central and South America and Australia, not from the United States of America and our American ranches demonstrating that the United States Department of Agriculture does not mean grown in the U.S.A.; and

26 WHEREAS, The State of Kansas lost 32 locker plants during the years of 1998 to 2000; and

28 WHEREAS, We feel strongly about the importance of providing safe delicious beef to our customers, especially in light of all the recent news about the unsafe beef coming into this country from other countries around the world; and

32 WHEREAS, The United States Secretary of Agriculture, the Secretary of Agriculture of the State of Kansas, many members of Congress and others have stated that interstate shipping of state-inspected meat and meat products should be allowed after the full implementation of the food safety and inspection requirements mandated by HACCP, hazard analysis and critical control points; and

38 WHEREAS, We have attained full implementation of the HACCP requirements; and

40 WHEREAS, In anticipation of Congress allowing such interstate shipping of state-inspected meat and meat products, the States of Minnesota and North Dakota and others are preparing for the shipment of state-inspected meat and meat products across state lines by initiating inno-

1 vative programs to promote such sales and encouraging the establishment
2 of new small food locker plants: Now, therefore,

3 *Be it resolved by the House of Representatives of the State of Kansas,*
4 *the Senate concurring therein:* That we encourage cooperation between
5 the Department of Agriculture, Department of Commerce, Kansas State
6 Research and Extension of the College of Agriculture, Kansas Cattle-
7 men's Association, Kansas Farm Bureau, Kansas Farmers Union, Kansas
8 Pork Producers Council, Kansas Livestock Association and independent
9 small locker plants to assist producers of beef, pork and poultry to market
10 their own products; and

11 *Be it further resolved:* That the State of Kansas should encourage and
12 assist producers to market their own products directly to consumers; and

13 *Be it further resolved:* That the Kansas Legislature should pass leg-
14 islation providing tax credits for small locker plants which purchased ma-
15 chinery and equipment to comply with safety regulations; and

16 *Be it further resolved:* That the Secretary of State be directed to send
17 an enrolled copy of this resolution to the Department of Agriculture,
18 Department of Commerce, Kansas State Research and Extension of the
19 College of Agriculture, Kansas Cattlemen's Association, Kansas Farm Bu-
20 reau, Kansas Farmers Union, Kansas Pork Producers Council, Kansas
21 Livestock Association and independent small locker plants in Kansas.

Owners of small and very small meat processing businesses in Kansas have identified two primary issues for which they are seeking assistance from the Kansas legislature. The first issue addresses interstate shipment of meat from state inspected facilities. Currently, meat products from state inspected meat processing facilities are not permitted to be shipped across state lines. The second issue relates to the disposal of offal from deer processing. This has become increasingly important, especially since deer harvest has increased in Kansas in recent years. I will start by providing a background of small and very small meat processing plants and an explanation of these issues facing their owners.

Description of small and very small meat processing plants in Kansas

There are basically three types of meat and poultry processing plants in Kansas. The United States Department of Agriculture (USDA) has defined a very small plant as one that employs 10 or fewer people and has annual sales of less than 2.5 million dollars, while a small plant has 10 to 500 employees. Plants are either federally inspected, state inspected, or custom exempt. Federally inspected plants are inspected by the USDA Food Safety and Inspection Service (FSIS). State inspected plants are inspected by the Kansas Department of Agriculture, Meat and Poultry Inspection Program. Custom plants are not under direct inspection, but are expected to comply with some state regulations and to record the number of livestock they process. Federal plants are allowed to market products across state lines and through export. State inspection programs must be equivalent to federal inspection. State inspected plants are only permitted to market products within the state. Custom plants slaughter animals for the exclusive use of the livestock owner. Custom plants and the owner of the livestock are not allowed to sell products resulting from custom processing.

Currently, there are 92 state inspected plants in Kansas. In 1999, there were approximately 127 state plants, 37 federal plants, and 33 custom plants. The FSIS estimated in 1999 that approximately 3400 federally inspected plants and 2300 state inspected plants were in existence nation wide. A survey of the Kansas meat industry was conducted by the Department of Animal Sciences and Industry at Kansas State University in 1997. Over 55% of the 221 state, federal and custom plants in Kansas responded to this survey. Most state inspected facilities were constructed in the 1950's, although some have been renovated more recently. Federally inspected plants were built, on average, in the 1970's. A typical state inspected plant operates with ten or fewer full time employees. Employee turnover in state inspected plants was 10.2%, federal inspected plants had 28.2%, and custom plants had 13.1%. Approximately 61% of plant owners and managers were brought up in the business and 49% have some college education.

Meat processors in Kansas produce a variety of products. Federally inspected plants in 1997 reported that sales were distributed as 43% retail, 7% custom, and 50% wholesale. State inspected plants in 1997 reported that sales were distributed as 25% retail, 46% custom, and 40% wholesale. Cattle, hogs sheep, poultry, veal, emu, buffalo, rhea, ostrich, goat, and beefalo are slaughtered in Kansas. Sources for livestock include stock belonging to the plant owner, commercial feed lots, livestock auctions, farmers, and terminal markets. Products produced include fresh meats, franks/wieners, liver sausage,

dried beef, bacon, bologna, ham, snack sticks, smoked poultry, summer sausage, jerky, and other specialty products.

Problems identified by processors of small and very small processing business in Kansas

There are two problems small and very small meat businesses in Kansas are currently addressing. The first is the fact that interstate shipment of their products is blocked by federal regulation. The second issue is the question of how to dispose of the increasing amount of deer carcass remains (inedible offal).

Interstate shipment of state inspected meat products is a critical key for Kansas processors to unlock the full potential of the market place. State inspected processors need to be able to ship product across state lines to expand their market base. Processors close to state lines are unable to ship product requested by firms and individuals in other states. This is especially frustrating to processors when they can not provide product to customers within a few miles of their plant. Furthermore, Kansas products have been recognized at national competitions. This has generated requests for premium products that could not be honored. Another marketing opportunity emerging as an outlet for specialty meats is internet marketing. This type of sale allows for quality Kansas products to be easily available in distant markets not yet tapped. These market forces have taken a toll on the state inspection program. A number of plants have changed from state to federal inspection to take advantage of the larger market opportunities.

The increase of the Kansas deer population and the increase of deer harvested during hunting season have subsequently increased the amount of inedible offal handled by small and very small processing businesses. According to the Kansas Department of Wildlife and Parks (KDWP) Emporia research office, the number of deer harvested has increased as follows:

<u>Year</u>	<u>Deer Harvested</u>
1994	43,800
1995	46,600
1996	52,000
1997	63,000
1998	81,100
1999	108,000 (estimated)

To encourage hunters to dress their own deer in the field, processors have added a fee to gut undressed venison. Deer must also be stored in an area clearly separated from other meat during storage and processing. The KDWP is currently producing a video describing how to safely handle and process a deer carcass. This video will teach hunters about options for deer processing, and hopefully reduce the workload for small and very small plants.

In general, inedible offal from beef and pork processing is collected and trucked to rendering plants for further processing into product not for human consumption. Processors are required either to compost offal pursuant to federal standards or to bury offal in a landfill. Most deer offal is trucked to landfills due to the cost of maintaining a composting sight. Processors are bearing an increased waste disposal cost, not to mention the increased amount of waste added to the land fill load.

Kansas meat processors need assistance from the state government. We are requesting that a letter be sent to the U.S. Senate and House of Representatives expressing support of legislation allowing interstate shipment of meat produced from state inspected plants. There is no reason that state inspected plants should not be allowed the benefits of federally inspected plants since state inspection must be equal to federal inspection standards. The other issue processors need assistance with is disposal of deer offal. Kansas processors are currently arranging a meeting of meat processors, the Kansas Department of Agriculture, the Kansas Department of Commerce and Housing, Kansas State University Extension, and the Kansas Department of Wildlife and Parks to identify solutions to deer offal disposal problems. The findings of this meeting will be relayed to the legislature after the meeting is conducted. The Kansas legislature can help implement solutions identified by this group by assisting with funding and legislation.

Good Morning Chairman Morris and members of the committee.

Bern Meat Plant is located in Nemaha County about a mile and a half from the Nebraska state line.

We are a fully inspected and HACCP compliant plant offering, custom processing, retail as well as wholesale beef and pork.

Bern Meat Plant and Bern Meat and Cheese Store located in Hiawatha employ 16 full and part time people.

I would like to relay to you 3 areas of importance to us.

First and foremost, I urge you to continue funding for the state inspection program. It is effective and the staff works well with the small meat plants of Kansas.

Second, interstate shipment of state inspected meat. Public endorsement of this issue would be beneficial to the many state inspected plants in America.

Third, tax credits for plant improvements which were required in order to comply with the Sanitation Standard Operating Procedures, HACCP as well as the new Sanitation Performance Standards, which also became effective on Jan. 25, 2000.

Bern Meat will soon enter its fifth decade of providing a service, jobs and income to the farmers and small town residents of north east Kansas and the surrounding areas.

Thank you very much for this opportunity to visit with you today.

I would be happy to answer any questions.

Senate Agriculture
3-16-00
Attachment 3



Cooperative Extension Service
K-State Research and Extension
Department of Animal Sciences
and Industry
241 Weber Hall
Manhattan, KS 66506-0201
785-532-6131
Fax: 785-532-7059

**Testimony before the Senate Agriculture Committee
on
Assistance to Small Kansas Meat Processing Plants**

**Prepared by
Elizabeth Boyle, Ph.D.
Associate Professor and Extension Specialist, Meats
Kansas State University**

**Presented by
Curtis Kastner, Ph.D.
Professor and Associate Department Head
Kansas State University**

March 16, 2000

**Kansas State
University Agricultural
Experiment Station and
Cooperative Extension
Service**

K-State, County Extension
Councils, Extension
Districts, and U.S.
Department of Agriculture
Cooperating.

All educational programs
and materials available
without discrimination on
the basis of race, color,
religion, national origin,
sex, age, or disability.

*Senate Agriculture
3-16-00
attachment 4*

*"Knowledge
for Life"*

Members of the committee, I am Curtis Kastner, Professor and Associate Department Head at Kansas State University. I am providing the testimony for Liz Boyle, Associate Professor and Extension Specialist in Meats at Kansas State University who was unable to be here today. In her position at K-State, she works closely with small and very small state and federally inspected meat and poultry processing businesses. I am here today to provide a summary describing HACCP, food safety and value-added support programs and assistance that K-State, in cooperation with the Kansas Department of Agriculture, Kansas Department of Commerce and Housing, and USDA, have provided to the Kansas meat and poultry industry so they may adapt and comply with required changes in government regulations.

First, I will begin with a brief summary of the events that led to the pathogen reduction rule. In January 1993, more than 500 persons were sickened and four children died from an outbreak of *E. coli* 0157:H7 in the Pacific Northwest. It was determined that this outbreak was caused by undercooked ground beef that had been fully inspected and approved by USDA's Food Safety and Inspection Service. In Congressional Testimony following the outbreak, then Secretary of Agriculture, Mike Espy, pledged to reform the federal meat inspection system, changing its focus from animal disease detection to one that address the risks posed by foodborne pathogens, thereby better protecting public health.

This led USDA to propose the implementation of new food safety programs in all federally inspected establishments. Following the comment period to the proposed rule, the USDA FSIS published its Final rule on Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP) Systems on July 25, 1996. The rule mandated requirements in efforts to reduce the occurrence and numbers of pathogens on meat and poultry products, reduce the incidence of foodborne illness associated with consuming these products, and provide a framework for modernization of the meat and poultry inspection system.

The new regulations required establishment of four new programs. The first program required that each establishment develop and implement written sanitation standard operating procedures (SSOP's). Secondly, regular microbial testing was required for slaughter establishments to verify the adequacy of a plants' process controls for the prevention and removal of fecal contamination and associated bacteria. All slaughter plants and plants producing raw ground products must meet pathogen reduction performance standards for *Salmonella* for the third program. Lastly, all meat and poultry plants had to develop and implement Hazard Analysis and Critical Control Point (HACCP) programs. These programs were phased in over several years. They have now been implemented in all large, small and very small federally and state inspected meat and poultry establishments.

HACCP and Food Safety Programs and Assistance:

◆ Getting a Jump Start on HACCP workshops

Offered in Wichita, Manhattan, Hays, Salina, Overland Park, February/March 1996
31 meat and poultry processors representing 11 plants from 11 counties

- ◆ Sanitation Standard Operating Procedures workshops
 - Offered in Manhattan, October 1996
 - 59 meat and poultry processors representing 35 plants from 29 counties
 - 2 KDA inspectors and 1 USDA/FSIS personnel
 - Offered in Manhattan, January 1997
 - 15 meat and poultry processors representing 10 plants from 9 counties

- ◆ *E. coli* Carcass Sampling Training workshops
 - Offered in Manhattan, July 1997
 - 43 meat and poultry processors representing 35 plants from 31 counties
 - 50 KDA inspectors and 1 other

- ◆ Sanitation Training Seminar: The "Why" Behind Sanitation
 - Offered in Manhattan, February 1998
 - 46 meat and poultry processors representing 31 plants from 25 counties
 - 51 KDA inspectors

- ◆ K-State sponsored a USDA FSIS HACCP Demonstration workshop
 - Offered in Manhattan, April 1998
 - 30 meat and poultry processors representing 24 plants from 20 counties
 - 1 KDA inspector

- ◆ One-Day HACCP Update Workshop
 - Offered in Manhattan, November 1998
 - 10 meat and poultry processors representing 6 plants from 6 counties

- ◆ International HACCP Alliance accredited three-day HACCP workshops. In cooperation with the Kansas Department of Agriculture, and the Kansas Department of Commerce and Housing, funding was obtained to support one-half the registration fee for Kansas processors to attend HACCP training workshops in an effort to offset expenses incurred by processors.
 - Offered in Manhattan, May 1997
 - 20 meat and poultry processors representing 12 plants from 11 counties
 - Offered in Manhattan, January 1998
 - 17 meat and poultry processors representing 15 plants from 13 counties
 - 9 KDA inspectors
 - Offered in Dodge City, March 1998
 - 19 meat and poultry processors representing 15 plants from 15 counties
 - 1 KDA inspector and 1 KDA vet
 - Offered in Manhattan, August 1998
 - 39 meat and poultry processors representing 24 plants from 20 counties

Offered in Parsons, September 1998
17 meat and poultry processors representing 10 plants from 9 counties

Offered in Manhattan, January 1999
24 meat and poultry processors representing 19 plants from 16 counties
1 KDA inspector

Offered in Manhattan, May 1999
39 meat and poultry processors representing 24 plants

Offered in Manhattan, August 1999
24 meat and poultry processors representing 17 plants

◆ Funding from the Kansas Department of Agriculture and Kansas Department of Commerce and Housing provided support for an Extension Associate who was available for on-site assistance with HACCP plan development and implementation, and served as a liaison between meat and poultry processors and inspectors. Highlights include:

- Assisted 80 plants, many more than once, including on-site assistance
- Reviewed 63 HACCP plans for 17 plants
- Participated in HACCP and food safety training workshops
- Conducted 7-4½ day HACCP compliance training workshops for KDA meat and poultry inspection personnel
- Conducted a 1½ day HACCP training program for KDA meat and poultry inspection supervisors and veterinarians
- Participated in meat and poultry inspection supervisors meetings, annual meetings

◆ An Extension Assistant was hired with funding from a USDA Fund for Rural America project to work on HACCP related projects. One of these projects involves developing a distance learning HACCP course. The purpose of this course will be to provide HACCP education and training to meat plant employees after the “rush” of HACCP training is completed to comply with implementation by January 2000. Other highlights:

Fact sheet and video on developing lotting and coding systems for meat and poultry facilities. This type of system is essential in the event of a recall. To expand the educational value of this information, the Kansas Department of Commerce and Housing provided \$6,000 in funding which allowed for the development of the video on lotting and coding.

Fact sheet on thermometer calibration and an accompanying laminated guide in English and Spanish to assist processors with setting up a standard operating procedure for calibration which is essential to a functioning HACCP program.

◆ A newsletter entitled Meat Processing News is distributed, on a quarterly basis, to Kansas meat and poultry processors. Provides information about processing meat products, current changes in government regulations, meat safety, especially HACCP, and other topics.

◆K-State has entered into a cooperative project with the University of Nebraska, University of Missouri and South Dakota State University to develop and provide audit and recall training and assistance to facilitate the success of maintaining HACCP programs in small and very small meat and poultry processing establishments. A brochure describing this program is attached.

Value-Added Assistance:

This K-State Research and Extension program in the Department of Animal Sciences and Industry assists Kansas meat processors and entrepreneurs in developing value-added meat products and improving the quality and safety of existing products. Funds have been provided by the Kansas Department of Commerce and Housing, Agricultural Products Development Division to support value-added activities. Services, programs, and assistance include product development and reformulation; quality and safety evaluation and testing; shelf-life studies; nutritional labeling assistance; development of documentation programs to meet government requirement; HACCP and other food safety training; labeling assistance; plant design review; assistance in selecting and locating ingredients; packaging and equipment suppliers; and product compliance evaluation. Recipients of this program are primarily small businesses, often with fewer than 10 employees, and most likely not able to afford such services through commercial sources. Highlights of the past two years include:

Processors and entrepreneurs realized a savings of \$150,000 while enhancing the quality and safety of meat and meat products for Kansas consumers through assistance with shelf life studies, chemical, microbial and physical analyses, and technical and on-site assistance

Nearly 900 phone contacts were made responding to questions posed by Kansas meat and poultry processors and entrepreneurs

Nearly 140 nutrition facts labels were developed and provided to Kansas meat and poultry processors

Resources for More HACCP Information

- Code of Federal Regulations
www.access.gpo.gov/nara/cfr
- FDA Food Code
www.vm.cfsan.fda.gov
- FSIS web site
www.fsis.usda.gov
- FSIS Technical Service Center Hotline:
(800) 233-3935 ext. 2 or (402) 221-7400
Fax: (402) 221-7438
E-mail: haccp.hotline@usda.gov
- USDA Meat and Poultry Hotline:
(800) 535-4555
- National Agricultural Library/USDA
(301) 504-6365 Fax: (301) 504-6490
www.nal.usda.gov/fnic/foodborne/foodborn.htm
- USDA/FDA HACCP Training Programs and Resources Database
www.nalusda.gov/fnic/foodborne/haccp/index.shtml

Toll-Free Contact Numbers

Kansas/Missouri
(877) 205-8345

Nebraska/South Dakota
(888) 688-4346

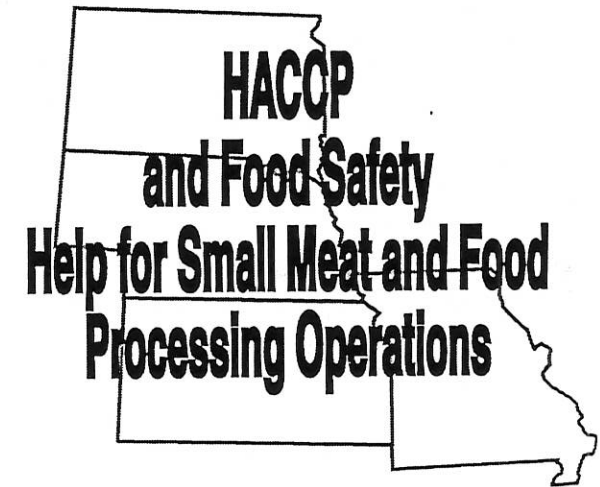
Internet Bulletin Board
www.HACCP.unl.edu



Kansas State University Agricultural Experiment Station and Cooperative Extension Service

It is the policy of Kansas State University Agricultural Experiment Station and Cooperative Extension Service, University of Nebraska Institute of Agriculture and Natural Resources, County Extension Councils, that all persons shall have equal opportunity and access to its educational programs, services, activities, and materials without regard to race, color, religion, national origin, sex, age or disability. Kansas State University is an equal opportunity organization. Issued in furtherance of Cooperative Extension Work, Acts of May 8 and June 30, 1914, as amended. Kansas State University, County Extension Councils, Extension Districts, and United States Department of Agriculture Cooperating, Marc A. Johnson, Director.

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Providing assistance and training for processors in
Kansas, Missouri,
Nebraska,
and South Dakota

HACCP Assistance and Services Available

A joint university Extension and USDA project has been created to assist food processors with HACCP and food safety problems in Kansas, Missouri, Nebraska, and South Dakota. Contact us for help with:

- Food safety and HACCP education
- Accredited HACCP training
- Food safety training
- HACCP development/implementation
- Development of verification and recall procedures to support HACCP plans

Assistance Provided

Workshops

- International HACCP Alliance accredited HACCP workshops
- Introductory HACCP, sanitation, and good manufacturing practices workshops
- HACCP verification, validation, recall, and auditing workshops

Materials

- Reference book library
- Video library
- Fact sheets

Free consultation

- Toll-free phone service
- One-on-one meetings
- Group meetings
- Onsite visits

Internet bulletin board

- Post your questions and comments on timely issues

For Scheduling and Information

Kansas and Missouri Processors Contact

Mark Murphy

Extension Assistant, HACCP
Kansas State University
Department of Animal Sciences and Industry
214 Weber Hall
Manhattan, KS 66506-0201
Toll-free (877) 205-8345
(785) 532-0191
Fax: (785) 532-7059
mdmurphy@oznet.ksu.edu

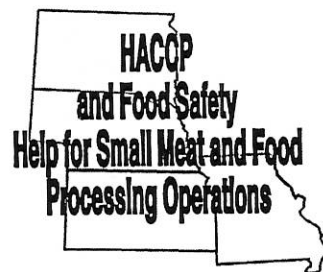
Nebraska and South Dakota Processors Contact

Jason Mann

HACCP Specialist
Department of Animal Science
A213 Animal Science
Lincoln, NE 68583-0908
Toll-free (888) 688-4346
(402) 472-6497
Fax: (402) 472-6362
jmann2@unl.edu

Internet Bulletin Board

www.HACCP.unl.edu



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South Dakota State University

6-4

BRANDING YOUR BELIEFS

*Adding Value to Livestock
by Connecting With Your Community*

The weakest link in most producers' farm operations is marketing. The "Branding Your Beliefs" program offered by Lorentz Meats and Land O'Lakes provides livestock producers and small meat processors the tools they need to capitalize on the greatest opportunity they have to increase the profitability of their operations. Over fifty farms from the Cannon Falls, Minnesota area have already completed the program. This is what some of them have to say about its value:

- We are more willing to charge and obtain a fair price for the product we sell.
- It has created more interest in marketing our farm products in non-conventional ways and for much greater profit.
- It has expanded our view of enterprise opportunity and provided details about the steps to be taken.
- Our vision seems more obtainable and worth doing than it did before.
- It has revealed opportunity that exists beyond what I believed possible.
- It has made us surer of ourselves.

The program's single goal is to generate economic growth in rural communities.

Specifically, the program will increase incomes for livestock producers (both small and large) through direct marketing, expand employment opportunities by supporting small meat processors seeking to improve their plants, and improve consumer access to premium, locally produced food sources.

The project is based on an idea conceived by Lorentz Meats & Deli of Cannon Falls, MN. Local livestock producers are trained in direct marketing techniques that enable them to market the livestock products from their farm directly to consumers. Reduced distribution costs resulting from direct marketing allow a larger percentage of the retail value of the product to be captured by the farmer. At the same time, it gives consumers access to a premium product whose source is readily identifiable in their own community. Small meat processors can benefit from the growth of direct marketing because farmers will make greater use of local meat plants to slaughter and process their livestock. The increased business and cash flow experienced by small processors will allow them to make critical investments in their plants to comply with ever stricter government inspection requirements. The ability of an individual producer to create a successful direct marketing venture is dramatically improved if the producer is working with a processing plant that is committed to helping direct marketers to succeed.

Following are just three examples of the impacts this program can have on the profitability of both producers and processors:

- Since direct marketing training was initiated in March 1998 with producers in the Cannon Falls, MN area, Lorentz Meats' slaughter business has gone up forty percent.
- At the same time, producers that direct market hogs to consumers have consistently received \$.60/lb live weight, even in the face of \$.10/lb market prices.
- Beef producers have been averaging at least \$.90/lb live weight.

The "Branding Your Beliefs" project team is made up of three key components. Lorentz Meats brings decades of custom processing experience and the vision for what it takes to build mutually profitable relationships between processors and direct marketers. The International Development Division of Land O'Lakes has over twenty years of experience designing and managing rural economic development programs in the U.S. and around the world. Peter Reese, the direct marketing curriculum author and lead trainer, has dedicated his career to improving the profitability of small agricultural producers. Together, the members of this team share the single objective of giving small livestock processors and producers a tool that will help them stay in business.

Presentation of the direct marketing curriculum occupies a full two-day period. Ideal group size for each presentation is up to roughly fifty participants. The cost for presenting the program is \$12,000 plus travel and lodging expenses to the training sight for two trainers (one originating from Cannon Falls, MN and the other from eastern Wisconsin). Possible options for defraying these costs include dues paid by participating producers, processor sponsorships, grants from economic development organizations and banks, or a combination of different sources.

The "Branding Your Beliefs" program should not be viewed as an easy path to riches or a silver bullet that will solve every problem. It does, however, offer both processors and producers a tool that they can use to increase margins, reduce exposure to the fluctuations of commodity markets, and give greater control over their own future.

For more information, contact:

Mike Lorentz
Lorentz Meats & Deli
1-800-535-6382
mike@lorentzmeats.com

Kathy Horgan
Land O'Lakes
(651) 634-4296
khorg@landolakes.com

USDA HACCP Based Performance Standards and Regulatory Policies and Their Potential Impact on Small Meat Processors

Recently the final stage of HACCP implementation was completed, making HACCP mandatory in all meat and poultry plants. There are a number of HACCP-based microbiological control requirements that must be met or plants will face compliance actions by federal or state regulatory agencies. These include the following:

1) *Salmonella* performance standards –

Both carcasses and ground products must meet the *Salmonella* performance standards that are defined in the USDA Pathogen Reduction and HACCP rule. These standards are based on a series of national baseline studies that were conducted by USDA. If a plant fails to meet the *Salmonella* performance standard on three consecutive sets, USDA will withdraw inspection.

2) Plant testing for generic *E. coli* to verify process control –

Slaughter plants must conduct routine testing for generic *E. coli* to verify control of fecal contamination on carcasses. In the event that a plant fails to meet the control parameters, the HACCP plan must be re-evaluated and improved.

3) USDA monitoring of *E. coli* O157:H7 -

The pathogen *E. coli* O157:H7 is considered an adulterant in raw ground beef. USDA is considering expanding this policy to include all non-intact beef products, i.e., needle tenderized steaks and sectioned and formed products.

If a positive result is reported, then the product is considered adulterated and is subject to a Class I recall. The HACCP plan is also considered to be inadequate and must be reassessed and improved.

4) USDA monitoring for *Listeria monocytogenes* and *Salmonella* -

USDA conducts regular microbiological monitoring of cooked, ready-to-eat products for *Listeria monocytogenes* and *Salmonella*. If a sample tests positive, the product is considered to be adulterated and is subject to a Class I recall.

The HACCP plan is also considered to be inadequate and must be reassessed and improved.

The performance standards represent a considerable challenge for all meat and poultry plants, including small and very small plants. In order to meet the standards, plants must have access to state-of-the-art anti-microbial technologies. Just having a HACCP plan is

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Attachment 5

not enough – the HACCP plan must be effective and capable of reducing or eliminating food safety hazards.

For example, a slaughter plant should have a validated anti-microbial treatment, i.e., steam pasteurization or hot water pasteurization and refrigeration capabilities to assure proper chilling of carcasses and temperature control during the fabrication of carcasses.

All of the major beef slaughter companies have already implemented these technologies. There is an increasing gap between large and small companies in regard to process capabilities.

Other technologies, including post-process pasteurization of packaged ready-to-eat products, irradiation pasteurization using x-rays, electrons or gamma sources, and chemical treatments are being implemented across the industry. Again, the implementation is taking place primarily in larger companies.

The good news for small meat processors is that technologies have been developed to meet the HACCP based performance standards. However, these technologies are costly and are not always available to small volume operations.

At Kansas State University, we believe that we have a responsibility to small meat processors to help identify and implement effective anti-microbial technologies. Current research projects are addressing steam pasteurization for small volume plants, irradiation technologies and chemical treatments that would be available to all plants regardless of size.

Ideally, even the smallest plants will be able to operate successfully under the HACCP system, meeting all microbiological performance standards and providing safe and wholesome products for consumers.

Senate Agriculture Committee
March 16, 2000
Connie Fischer, Director
Agriculture Products Development Division
Kansas Dept. of Commerce & Housing

Good morning, Chairman Morris and members of the committee. I have prepared for the committee an overview of the financial assistance the KDOC&H has given to meat processors throughout the state. This attached graph demonstrates our commitment to this industry and our efforts in assisting both processors and producers.

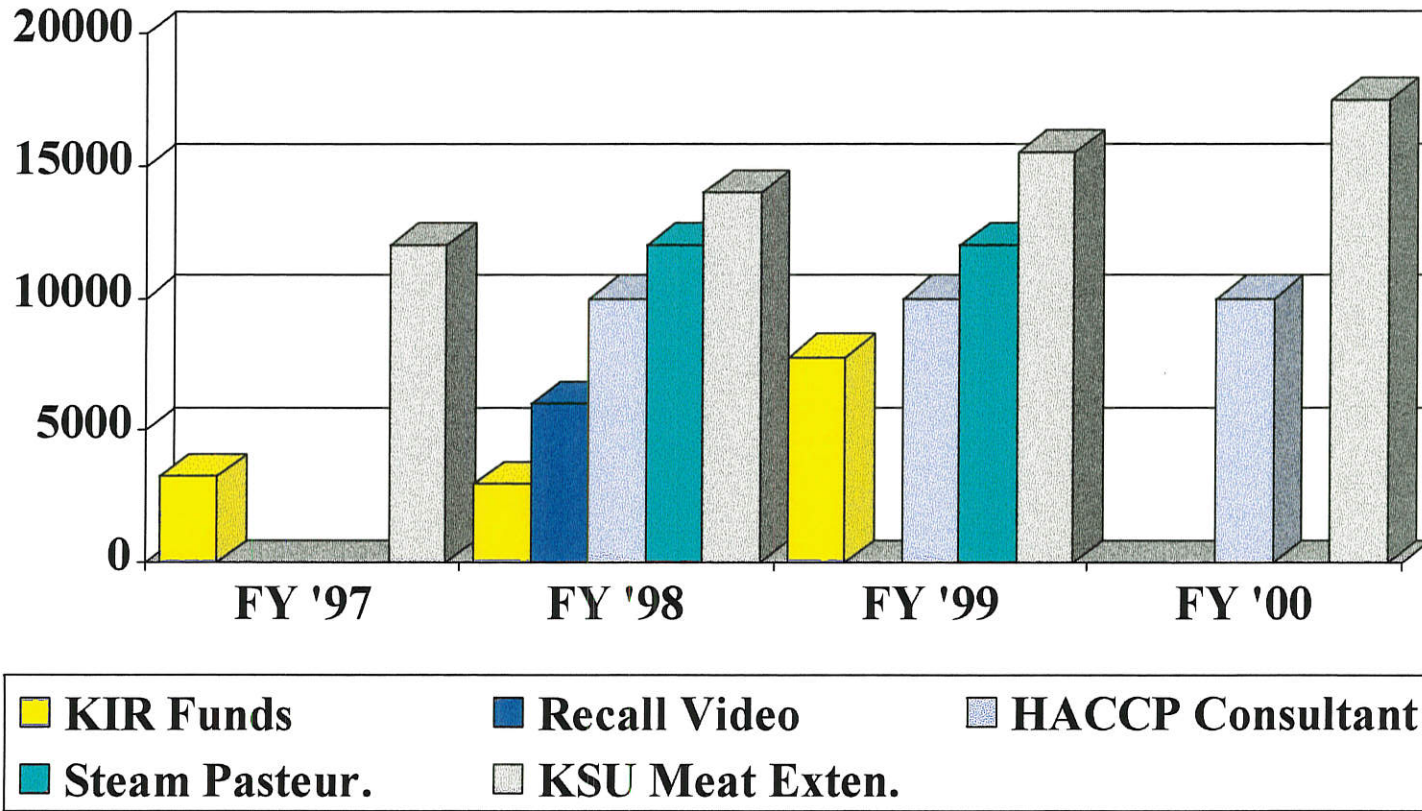
I would also like to relay to you today, future activities that the Agriculture Division is planning that will have a positive impact on Kansas's producers and meat processors.

1. In partnership with the Kansas Dept. of Agriculture, the Division will be developing a reference piece for meat processors and producers who are interested in marketing.
2. The Agriculture Division will be meeting with all the state meat inspectors, at the next inspector staff meeting, to educate them on the marketing and business assistance available at KDOC&H.
3. The Agricultural Products Development Division plans to enhance our outreach efforts to Kansas small and medium size processors by attending their annual meeting and making visits to plants throughout the year.
4. The Division will continue its strong commitment to financial and technical support of the industry, especially as it relates to projects that impact producer wealth.

Thank you for the opportunity to visit with you today. I would be happy to answer any questions.

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Attachment 6

KDOC&H Expenditures on HACCP



KANSAS DEPARTMENT
of COMMERCE & HOUSING
AGRICULTURE PRODUCTS DEVELOPMENT DIVISION