

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 A.M. on March 9, 2005 in Room 423-S of the Capitol.

All members were present except:

Steve Morris- excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research  
Lisa Montgomery, Office of Revisor of Statutes  
Jacqui Jones, Committee Secretary

Conferees appearing before the committee:

George Teagarden, Commissioner, Kansas Animal Health Department (KAHD)  
Brad Harrelson, State Policy Director, Governmental Relations, Kansas Farm Bureau (KFB)  
Donn Teske, Kansas Farmers Union (KFU)  
Mike Beam, Senior Vice President, Kansas Livestock Association (KLA)  
Kansas Department of Agriculture (KDA), Secretary Adrian Polansky (written only)

Others attending:

See attached list

Chairman Taddiken asked Raney Gilliland of the Legislative Research Department to give an overview of **HB-2053 - Premises registration and animal identification and tracking system.**

The Chairman invited Commissioner George Teagarden to testify on behalf of KAHD. Mr. Teagarden told Committee members that progress is being made in Kansas on the National Animal Identification System, which is the official name for the USDA's animal identification system. Kansas was granted a "pilot project" by USDA to register premises within the state and to develop and test a reading and reporting system that will be attached to commercial transport trucks (Attachment 1). One company developing a system will be mounted on commercial transport has delivered its unit to Kansas State University. Another company has tested its system and is in the process of making adjustments.

KAHD began registering premises in December 2004. The applications are in the hands of county extension agents as well as several farm and ranch organizations. Individuals may choose to register their premises on-line. To date, there are approximately 350 registered premises in Kansas. The Commissioner pointed out that **HB-2053** allows KAHD to go forward on the issue of voluntary animal identification with both individual animal identification and the national tracking system.

Language has been inserted in the bill to clarify that the program is voluntary and the sunset provision has been removed from the original statutory language. KAHD has requested that the bill take effect upon publication in the *Kansas Register*. Mr. Teagarden explained that the intent of the amendments to three sections of the bill is to shift the burden of indemnity away from the counties and to the state, but only if funding is not available from the United States government.

The Commissioner stated that the national animal identification system is a reality and KAHD wants to assure the Committee that Kansas is poised to implement the voluntary system as it progresses and develops.

The Commissioner then stood for questions.

Chairman Taddiken invited Brad Harrelson, KFB to testify in support of **HB-2053.**

The members of KFB support the establishment and implementation of a national animal identification system capable of providing support for animal disease control and eradication, as well as enhancing food safety (Attachment 2). The members feel that the program should protect producers from liability for acts of others after livestock leaves the hands of the producer. The program should ensure the security of producer information and respect the privacy of producers by collecting data only necessary to establish a traceback system.

CONTINUATION SHEET

MINUTES OF THE Senate Agriculture Committee at 8:30 A.M. on March 9, 2005 in Room 423-S of the Capitol.

Mr. Harrelson stated that KFB members are concerned about the associated cost to producers and their ability to comply with the program.

Mr. Harrelson then stood for questions.

Chairman Taddiken invited Donn Teske, KFU to testify in support of **HB-2180**. Mr. Teske stated that although KFU supported the bill, there were still some reservations. KFU is concerned that the cost of the program should be spread equitably throughout the system.

KFU members are strong supporters of mandatory Country of Origin Labeling (COOL). However, they were concerned about the cost of the program to producers. They believe that COOL could be implemented along with the national ID program.

Another concern of KFU is confidentiality. The members want assurance that the data gathered is truly confidential and that one entity does not have access to data that others would not. They feel that the valuable data gathered, if falling into the wrong hands, would let that person have an unfair advantage in the marketplace (Attachment 3).

Mr. Teske stood for questions.

Chairman Taddiken invited Mike Beam, KLA to testify in support of **HB-2053**. Mr. Beam stated that KLA supports this bill because it will repeal the May 15, 2005-sunset date in last year's legislation. Thus, the Legislature will continue to allow the state to participate in a pending federal/multi-state pilot program and renew the confidentiality provision for records and data collected by KAHD (Attachment 4).

KLA members wanted the Committee to be aware of the concern they have regarding the confidentiality issue in the premise or animal registration program. They believe that language in the bill is on track, although it has yet to be resolved at the federal level.

Presently, neither USDA nor Congress is prepared to mandate that premises be registered, individual animals be identified, and any animal movement be tracked or reported. KLA members feel that someday individual animal identification will be the normal practice in the marketplace. Also, animal identification could become mandatory if there is a serious contagious foreign animal disease outbreak.

Mr. Beam stated that KLA believes the State of Kansas should continue to develop a voluntary individual animal identification program and prepare the state and Kansas livestock producers for a nationwide fully implemented program. The sunset date should be repealed from last year's bill and the suggested amendments be adopted.

Mr. Beam then stood for questions.

Written testimony in support of **HB-2053** was provided by the Kansas Department of Agriculture. (Attachment 5).

Hearings on **HB-2053** were closed.

Senator Ostmeyer moved to approve the minutes of March 1, 2005. Senator Huelskamp seconded the motion. Motion carried.

The Committee meeting adjourned at 9:30 a.m.

The next Committee meeting was scheduled for March 15, 2005.

CONTINUATION SHEET

MINUTES OF THE Senate Agriculture Committee at 8:30 A.M. on March 9, 2005 in Room 423-S of the Capitol.

Amendment to the Minutes of March 9, 2005.

Justin K. Holstin, Executive Director, Kansas Propane Education & Research Council (KPERC) provided to the Committee the annual report of KPERC according to statutory requirements (a copy of which is available in the Office of Legislative Research).

Dated this 24<sup>th</sup> day of March, 2005.



STATE of Kansas  
**KANSAS ANIMAL HEALTH DEPARTMENT**

George Teagarden, Livestock Commissioner  
708 S Jackson, Topeka, KS 66603-3714  
Phone 785/296/2326 Fax 785/296/1765  
e-mail-[gteagarden@kahd.ks.gov](mailto:gteagarden@kahd.ks.gov)

web site-[www.accesskansas.org/kahd](http://www.accesskansas.org/kahd)

---

March 9, 2005

Senate Agriculture Committee  
Senator Mark Taddiken, Chairman

Re: HB 2053, relating to premises registration and animal identification

Mr. Chairman and members of the committee,

I am George Teagarden, Livestock Commissioner, Kansas Animal Health Department. I appear before you as a proponent of HB 2053. This bill updates K.S.A. 47-674 which the legislature approved last session.

As I reported to the committee on January 25, 2005, progress is being made in Kansas on the National Animal Identification System, the official name for the USDA's animal identification system. As you know, Kansas was granted a 'pilot project' by the USDA to register premises within the state and to develop and test a reading and reporting system that will be attached to commercial transport trucks.

The pilot project is picking up steam. One of the companies developing a system that will be mounted on commercial transports has delivered its unit to Kansas State University. The other company has tested theirs and they are in the process of making adjustments.

The KAHD began registering premises in December, 2004. We started out quietly, so we could gain experience within our office. Registration applications are now in the hands of county extension agents, as well as several farm and ranch organizations. In addition, individuals can also choose to register their premises themselves on-line. To date, there are approximately 350 registered premises in Kansas.

HB 2053 simply allows the KAHD to go forward on the issue of voluntary animal identification as the USDA directs, not only with premises registration but with individual animal identification and a national tracking system.

The bill adds "tribal officials" to the statute to include all of the players in the national system.

Senate Agriculture Committee  
Date **3-9-05**

**Attachment # 1**

In addition to inserting language to clarify that the program is voluntary we have removed the sunset provision from the original statutory language. We also ask that the bill take effect with publication in the Kansas register.

The House Agriculture Committee made some technical language to the original bill and added new sections 1-3 to change the language in three statutes that currently require counties to pay for indemnity associated with the destruction or appraisal of animals taken and/or destroyed because of disease. The intent of this amendment is to shift the burden of indemnity away from the counties and to the state ***but only if funding is not available from the United States Government.***

I agree with the House Committee's decision to relieve the counties of the potential obligation for indemnity for a disease outbreak.

As I'm sure you know, the National Animal Identification System is a reality. HB 2053 will insure that Kansas is posed to implement the voluntary system as it progresses and develops.

I urge your favorable consideration of this bill.

Mr. Chairman, I will entertain any questions that you or your committee members might have.



*PUBLIC POLICY STATEMENT*

SENATE COMMITTEE ON AGRICULTURE

RE: HB 2053 – an act relating to premises registration and animal identification.

**March 9, 2005  
Topeka, Kansas**

**Testimony provided by:  
Brad Harrelson  
State Policy Director  
KFB Governmental Relations**

---

Chairman Taddiken, and members of the Senate Committee on Agriculture, thank you for the opportunity to appear in support of HB 2053. I am Brad Harrelson and I serve as the State Policy Director—Governmental Relations for Kansas Farm Bureau. KFB is the state's largest general farm organization representing more than 40,000 farm and ranch families through our 105 county Farm Bureau Associations.

As producers of livestock, our members acknowledge and appreciate the vital importance of animal disease control. In light of the events of December 23, 2003 where a single case of BSE was confirmed in Washington State, an elevated awareness for the need of an effective tracking system for livestock was recognized. Subsequently, increased support and urgency for a reliable program was accepted by the industry.

For the most part, our members view this as an issue of national importance and relevance. As such, Kansas Farm Bureau supports policy on livestock identification as adopted by the American Farm Bureau Federation. That policy statement is as follows:

**We support the establishment and implementation of a national animal identification system capable of providing support for animal disease control and eradication, as well as enhancing food safety. A cost effective national system of livestock identification, with adequate cost share among government, industry and producers, should be established and regulated by an advisory board of producers, processors and USDA. Any such program**

Senate Agriculture Committee  
Date **3-9-05**

Attachment # **2**

**must protect producers from liability for acts of others after livestock leaves the producers' hands. The program should ensure the security of producer information and respect the privacy of producers by only collecting data necessary to establish a traceback system.**

**AFBF Policy # 105**

It is our understanding that a national animal ID plan is under development and that it is a cooperative effort between the U.S. government, national and state animal health officials, the livestock industry and many other stakeholders. We believe this is the best approach. It is also our understanding that ultimately, individual states will be asked to provide an integral role in implementation of that plan. We feel it is important on behalf of Kansas livestock producers that the state have a role in development, coordination and implementation of the program. It is also important to understand, that under this legislation, program participation remains voluntary.

As previously stated, our members are concerned about the associated cost to producers and their ability to comply with the program. Not only are there likely costs for program implementation through registration fees, there will be per head costs for individual animal identification such as ear tags and tag reading equipment. While we can accept reasonable producer costs to support an effective program, contribute to overall food safety efforts, and maintain consumer confidence, we believe costs should be balanced and shared among all others who ultimately benefit. The public good, which will certainly be enhanced by this program should be considered when determining who pays the bill.

Also of deep concern to our members is the confidentiality of the information provided. Any data collected to comply with an animal ID program must be maintained and used solely for the purpose of animal disease prevention and control.

In conclusion, Kansas Farm Bureau policy favors the development and implementation of a national livestock ID program. To the extent that state involvement is beneficial to that effort, we urge your recommendation for favorable passage of HB 2053. Thank you, once again, for the opportunity to appear before you and share the position of our members. KFB stands ready to assist as you consider this important measure.

Thank you.



Senate Ag Committee Hearing on HB 2053  
3-9-2005  
Donn Teske  
Kansas Farmers Union  
901 W. 1<sup>st</sup> St.  
Box 1064  
McPherson, Ks. 67460

To the Senate Ag Committee, on behalf of the Kansas Farmers Union I would like to speak in support with reservations to HB 2053, the animal ID bill.

Kansas Farmers Union's policy is in support of a national animal ID system and in that regards I am here today testifying in support of this bill.

As the process develops, again, I urge that the process be equable between all producers without the cow-calf (and other species) producer being stuck with the entire cost of the animal identification expenses. Often an animal is sold and purchased several times throughout its life and the cost of the program should be spread equitably throughout the system.

Kansas Farmers Union has long been a strong supporter for mandatory Country of Origin labeling. The main concerns to implementation of such a program, even though it was passed into law with the last farm bill, was the perceived extraordinary costs to producers which would be an unfair expense to them. How ironic it is now when we are going great guns ahead in establishing a national animal ID program, which is where the lions share of the costs of COOL implementation would be associated, yet hardly any attention is being given to the costs of implementing the coming ID program! Why are we not implementing Country of Origin Labeling, which is a law, in the process of implementing the national ID program??

I have serious concerns in regard to section G of HB 2053. This is the section that deals with confidentiality. I have heard commissioner Teagarden testify many times about the need to keep the data gathered in this program confidential. I agree. But what does section G actually say? All I see is that the information is confidential and that it shall not be disclosed to the public. I asked the House Ag Committee these four questions;

- Who does the information get disclosed to?
- What conditions warrant the release and to what entities?
- What exactly does "public" mean?
- What are the penalties for breaking this confidentiality?

There needs to be real barriers that ensures the Kansas public this data is truly confidential and that one entity doesn't have access to data that others wouldn't. This is extremely valuable data that would let someone who acquires this knowledge an unfair advantage in the marketplace. In the case of an outbreak, advance knowledge would be worth fortunes for anyone fortunate enough to have advance information.

As you pass HB 2053 and it is implemented it is in your best interest as representatives of the state of Kansas not to have any questions about the ethics of the process arise in the case of another possible outbreak such as what happened in the Holton foot and mouth fiasco.

The House Ag Committee ignored these concerns, what will your committee do?

Thank you for your time.

Senate Agriculture Committee  
Date **3-9-05**

Attachment # **3**



Since 1894

## TESTIMONY

To: The Senate Agriculture Committee  
Sen. Mark Taddiken, Chairperson

From: Mike Beam, Senior Vice President

Date: March 9, 2005

Subj: **House Bill 2053** – A continuation of authority for the Kansas Animal Health Department and Livestock Commissioner in conducting a voluntary livestock identification program.

*The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 6,000 members on legislative and regulatory issues. KLA members are involved in many aspects of livestock production, including cow-calf/stocker enterprises, cattle feeding, seed stock production and diversified farming operations.*

*Kansas ranked second nationally with 6.65 million cattle on ranches and in feedyards as of January 1, 2004. The state's beef industry consumes 72% of the corn, 16% of the soybeans, and 60% of the hay grown in Kansas. At over \$5 billion, cattle sales typically generate nearly two-thirds of all annual agricultural receipts.*

The Kansas Livestock Association (KLA) is a proponent of HB 2053. We support this bill because it will repeal the May 15, 2005 sunset date in last year's legislation. By removing this expiration date, the legislature will continue to allow the state to participate in a pending federal/multi-state pilot program and renew the confidentiality provision (subsection g, Section 4) for records and data collected by the Kansas Animal Health Department (KAHD).

Last year the Kansas legislature wrestled with the uncertainty of a mandated federal individual animal identification program. At this time a year ago, many of us thought USDA and/or Congress would enact a mandatory program prior to January 1, 2005. We believe the Kansas legislature responded appropriately by clearly authorizing KAHD to prepare for a federal-uniform identification program. It was wise for the legislature to require the Livestock Commissioner to involve various stakeholders in crafting a "premise definition" regulation (subsection i, Section 4). Including a provision (subsection f, Section 4) suggesting the state cooperate with other entities and a statute (subsection h, Section 4) to establish a fund for federal assistance was insightful as KAHD was awarded one of the more significant pilot projects by USDA Senate Agriculture Committee

Date **3-9-05**

The confidentiality provision in subsection (g), of section 4, has proven to be on track as producers repeatedly tell us this is a concern they have with any premise or animal registration program. This committee should know this issue has yet to be resolved at the federal level, and we are hoping similar language will be incorporated in federal law.

For now, it appears USDA and/or Congress is not prepared to mandate that premises be registered, individual animals be identified, and animal movement be tracked and reported. Nonetheless, our members feel someday individual animal identification will be the normal practice in the market place. Furthermore, animal identification could become mandatory if we are unfortunate and experience a serious and contagious foreign animal disease outbreak.

Since last spring, KLA has had a working group of over 30 individuals meet, share information, deliberate, and make recommendations to the full membership. This group of cow-calf producers, seed stock breeders, stocker operators, cattle feeders, veterinarians, order buyers, auction market managers, and KSU Extension Specialists made the following conclusions and recommendations:

1. A top priority for KLA should be facilitating premises registration. Recognizing premises registration is the first step to a successful National Animal Identification System, therefore working group members recommend producers register premises by July 1, 2005.
2. Current market forces may offer incentives for producers who implement individual animal identification as part of a verified production program. Market premiums for source-verified and/or age-verified cattle may allow cattle producers to more than offset the costs of implementing individual animal identification, at least in the short term.
3. To begin the process of qualifying for source-verified programs, including the Japanese export program, KLA recommends the following:
  - Producers should record birth dates; if not of individual calves, then at least first calf and last calf born during the calving season. Calving records should be kept for two years.
  - Individually identify calves, preferably with compliant RFID tags placed in the left ear.
  - Producers should work with their customers to determine the most efficient method to transfer the necessary source verification documentation.

4. KLA should encourage the Kansas Legislature to repeal the sunset date of last year's legislation.

In conclusion, it's our belief the state of Kansas should continue to develop a voluntary individual animal identification program and prepare the state and Kansas producers for a nation-wide fully implemented program. To move ahead, the sunset date from last year's bill should be repealed and the suggested amendments adopted with the passage of HB 2053.

Thank you for your attention and thoughtful consideration.



# KANSAS

DEPARTMENT OF AGRICULTURE  
ADRIAN J. POLANSKY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

**Testimony on HB 2053  
to  
The Senate Agriculture Committee**

**Written Testimony  
by Secretary Adrian Polansky  
Kansas Department of Agriculture**

**March 9, 2005**

Good morning, Chairman Taddiken and members of the committee. I have submitted to you brief written testimony in support of HB 2053.

This bill extends the authorization granted by the Legislature last year for the livestock commissioner to develop and implement a voluntary premises registration and animal identification and tracking system for Kansas.

Kansas was fortunate to be selected for its premises identification pilot project under the National Animal Identification System. I commend Commissioner Teagarden and the Kansas Animal Health Department for their work on this important project.

Kansas ranks second in the nation in cattle on farms and on feed, and third in red meat production. It's appropriate that we be among the states that help shape and implement the National Animal Identification System. It will be the system we rely on to respond to and contain foreign animal disease. That's why I encouraged my son, Adam, to register his premises as soon as the Animal Health Department started taking applications.

Although the National Animal Identification System is designed to help animal health officials rapidly respond to foreign animal disease, USDA does not prevent producers from using it to collect data on the quality of beef they produce and to increase their marketing options.

Animal identification is important to the future of the Kansas beef industry. Governor Sebelius and I traveled to Japan in September to meet with retailers and trade officials to find out what we could do to expedite resumed beef exports to that nation. While there, we learned that traceability is extremely important to Japanese consumers. Beef trade with Japan is extremely important to Kansas beef producers. We sold \$175 million worth of beef products to Japanese consumers in 2003.

Senate Agriculture Committee

Date **3-9-05**

109 SW 9th ST., Topeka, KS 66612-1280

Voice (785) 296-3556

Fax (785) 296-8389

<http://www.acce>

Attachment # **5**

Governor Sebelius and I also have been working with stakeholders to resolve issues recently faced by the beef industry. The group represents producers, feeders, packers, associations, academics and government. Although we don't reach consensus on every issue, we did agree on two points related to the Animal Health Department. The group said funding and removal of the sunset clause for a Kansas premises identification program should be a priority. Therefore, I support the passage of HB 2053.

Thank you.