

KMPA presentation on 2012 S.B. 302 by Tom Kessinger, KMPA President, Feb. 1, 2012

I am Tom Kessinger, current President of the Kansas Meat Processors Association, representing the membership of 51 small family owned meat plants scattered around our state and 40 supplier members who provide equipment, ingredients, supplies and services for our efficient operation. We have been a trade association for 72 years and are an affiliate state member of the American Association of Meat Processors.

My remarks will be brief, attempting to paint a clear picture of the Kansas Meat Processors, our customers and our view on Senate Bill 302. In describing who we are and whom we serve, my hope is you will see why we take the position we hold, and why our proposed course of action makes sense for us as businessmen, for our customers and for food safety and meat inspection services.

A short description of us – as processors. We are virtually all family owned and operated meat processing businesses, some into the 2nd and 3rd generations. Our businesses are operated by husband and wife, father and son, with children and even grandchildren helping. Most of us employ from 1 to 3 employees with a few businesses larger than that. Most are located in small towns, with a few located in, or close to larger population centers. We provide jobs in areas others cannot. Other than a family producing and preparing their own meat, we are as close as you can get to the concept of “from the farm to the plate.” Personally, my view is there is no more direct, safer way to provide quality meat for Kansas consumers than through us. In this increasingly impersonal world, we offer a familiar face that can be trusted. Just like a Mom taking her child to the doctor for care, customers trust us to carefully prepare meat for their tables. Our names are on every label. We have to be accountable. More Kansans need to be exposed to what we offer. Truly, the potential for economic growth in this era of “knowing where your food comes from” is great! Reflecting this phenomenon is a section in the 2012 U.S. proposed farm bill called “The Local Farm Food and Jobs Act” which addresses the concept of very small producers selling to local consumers. Kansas needs to be a leader in this area.

Many of us are multitalented. We do plumbing, electrical, carpentry, equipment repair, painting, janitorial services, secretarial and accounting, research and development, public relations, inventory, stocking, financing and sales. Oh yes, and in our spare time, we slaughter and process meat for our customers. We also support our local churches, schools, and community organizations. We provide many services that benefit the Kansas economy by employing people, purchasing products and paying taxes. Services we provide:

1. The slaughter and preparation of consumer owned animals or processing of carcasses slaughtered by the consumer.
2. The slaughter and preparation of consumer owned animals that are inspected. This inspection benefits the consumer and the business.
3. The processing of consumer owned wild game, including deer and buffalo taken in paid hunts.
4. The slaughter and processing of animals owned by and for use in owners restaurant. This requires some inspection.
5. The slaughter and processing of animals used for retail sales. This requires some inspection.
6. We provide an avenue for large or very small Kansas ranchers and farmers to produce income locally – i.e. to market animals to local Kansas consumers at reasonable prices.
7. We purchase live animals or inspected carcasses from Kansas farmers to sell as halves, quarters or beef bundles.
8. The preparation of boxed meat for sale to restaurants and household consumers.

9. The slaughter and processing of animals for resale by us or other businesses i.e. private label sales such as Farmer's Markets. These require inspection.
10. The preparation of a full line of retail products.
11. The processing of hunted, harvested wild game resources into quality meat products often including inspected meat ingredients to broaden the market for those ingredients.

Some of our businesses do some or all of the above. Following is my own family's short story as an example of how many others enter these family owned businesses. I have been self-employed all but two of our 39 years of marriage. My wife was a paramedic and then a nurse. We have 3 children and 13 grandchildren. I have built and remodeled houses, done commercial roofing and manufactured roof coatings. In all of these endeavors we were successful. So at the age of 50, when we were supposed to "owe no man anything", we started a small butcher shop. Experience? We had none. Money? We had little. So we mortgaged our fifth generation farm and built a building in the middle of nowhere – 4 miles south of Grenola. This farm was homesteaded by my great-grandfather with the original deed saying "Indian Territory". While growing up, Grenola had many businesses. Now it's a town of less than 200.

But with God's blessing and really great customers, many of whom come from 80 miles or more away, we have a business that to a degree supports three families and serves an excess of 1000 customers a year. To many, we were foolish, but we are just one of a number of Kansas meat processors who have a dream that few others have. Through hard work, good service and great customers, we fuel the rural economy of Kansas. **We are the face of Rural Economic Development.**

How does all this relate to Senate Bill 302? Our future, even though some of us live in low income and low population areas, is limited only by our initiative, imagination and, for some of us, our age and health. Plant owner/operators who have invested their family's lives in their businesses have frequently indicated their two biggest headaches in running a small business are excessive regulations and too high taxes. We are not Cargill. The deck is heavily stacked against us. We are David vs. Goliath. We have no lawyers on staff, no lobbyists. We lack large numbers. We lack unlimited time. If we miss work, we lose money. But we have what Kansas needs for rural economic development. We are entrepreneurs.

Since last August, considerable time and effort has been invested by meat processors, starting with a meeting here August 31, 2011 with 10 of our members attending, followed by five KDA-MPI stakeholder meetings scheduled around our state at Garden City, Newton, Topeka, Chanute and Clay Center with 34 attending. So, we've had a good opportunity to listen to KDA-MPI's rationale for the proposal(s), to question and disagree with some elements of it and to offer suggestions for improvements. Today, more of our members would like to be here, but in the middle of a busy work week at an early hour, their absence from their businesses would cause significant production problems.

Concerning Senate Bill 302, we have prepared a position paper gleaned from observations by several KMPA members and our Board. Copies of that paper have been brought for your committee's review. While we are not lawyers, we have read and researched, as time allowed, issues addressed in this bill. Time today does not allow us to address each concern. Therefore, by unanimous decision of the KMPA Board of Directors, we're left to oppose Senate Bill 302 in its entirety. We will express our concerns as follows in general terms.

We object to Senate Bill 302 on these grounds.

1. It places too much power in one place i.e. there is no third party watching over Meat and Poultry Inspection.

2. It increases legal control over businesses with no increase in food safety – even going beyond USDA-FSIS
3. Some areas of S.B. 302 are a poor reading of existing law. They are expanding authority not given in the Federal Meat Inspection Act (FMIA).
4. It does not allow for flexibility, adaptability or communication, which are necessary for very small businesses. These ideas may work for very large corporations but not very small individual owned enterprises.
5. It continues the fallacy that Kansas Meat and Poultry is first and foremost, if not exclusively, a regulatory agency. By nature, a regulatory agency is adversarial, i.e. it's job is to catch someone breaking the law – stop this activity and penalize that activity. KMPA believes there is a better way.

KMPA proposes that Senate Bill 302 be rejected in its entirety and that the Senate Ag Committee instruct KDA-Meat and Poultry Inspection to adopt a new paradigm of operation - which is a food safety agency that promotes and protects the safe production of meat through research, education, and cooperation, with enforcement as the last resort. Any legislation or regulations will be by agreement between the Secretary of Agriculture, K-State food safety experts, Kansas Meat and Poultry Inspection and the Kansas Meat Processors Association. The legislation will promote food safety, promote Kansas businesses, promote the production and consumption of Kansas meat and poultry, and be equal to USDA-FSIS-MPI.

To close, I'd like to present a short generational conversation concerning our meat processing business. My reply to our children or grandchildren concerning a question about the future and potential of our business would be as follows. If you want to be in a business where you can serve hundreds or even thousands of customers who desire and appreciate what you have to offer-- If you want to develop friendships and influence others and be influenced by others on a daily basis-- If you want to be well paid and even receive payment greater than money, then this would be a good business. However, I must warn you, that at the stroke of a pen, by a legislator or a regulator all the hard work of a generation, or generations could be wiped out by either high taxes or excessive regulations. If you are not prepared for this, then be very careful what you choose. This is truly the best business your mother/grandmother and I have owned, but if we had known the regulatory hardships and hurdles prior to entering it, we would have been more reluctant to start this generational enterprise. If we had not done this, I wonder – where would our customer's needs be met or would they be met?

