

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on January 26, 2000, in Room 423-S of the Capitol.

All members were present except: Representative Aurand - excused
Representative Showalter - excused

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

Conferees appearing before the committee:

Steve Howell, MARC-IV Consulting
Richard Nelson, PhD, Kansas State University
Jamie Clover Adams, Secretary, Kansas Department of Agriculture
Dr. Lyman Kruckenberg, Meat and Poultry Inspection Program Manager, Kansas Department of Agriculture

Others attending: See attached list

Representative Dahl requested introduction of a committee bill to allow the owner of a water right to change the place of use or the point of diversion of the water, without losing priority of right, provided such owner shall use the water only for irrigation upon land owned or leased by the owner of such water. Seconded by Representative Flower, the motion carried.

Representative Schwartz requested introduction of a committee bill to allow the Kansas Department of Wildlife and Parks upon receipt of a renewal application for a license to operate a controlled shooting area to reinspect the area. Seconded by Representative Dahl, the motion carried.

Chairman Johnson appointed a subcommittee comprised of Representative Schwartz, chairperson; Representative Weiland; and Representative Light to study **HB 2674** -- structure of grain commodity commissions.

Mr. Jim Ploger, Energy Program Manager, Kansas Corporation Commission, introduced Steve Howell, MARC-IV Consulting, and Dr. Richard Nelson, Kansas State University, who have been conducting a Bio-diesel Feasibility Study using beef tallow funded in part with US Department of Energy money.

Steve Howell, MARC-IV Consulting, and Dr. Richard Nelson, Kansas State University, gave an update on their Bio-diesel Feasibility Study to convert beef tallow into diesel fuel, which could create manufacturing jobs, reduce energy imports, and expand markets for agriculture in Kansas. It was reported that as the No.1 cattle slaughtering state, Kansas generates about 1.2 billion pounds of beef tallow each year at the six largest slaughtering plants which could produce about 166 million gallons of bio-diesel. They said that bio-diesel is supported by federal energy policy; last August the president signed an executive order to triple the use of bio-energy and bio-based products by 2010.

They reported that the environmental benefits of bio-diesel include cleaner emissions and reduced carbon monoxide, unburned hydrocarbons and targeted compounds thought to cause cancer; bio-diesel can play an important role in reducing cancer and birth defects. They noted that one drawback to bio-diesel derived from beef tallow is that beef tallow freezes faster than soybean oil and other fuels. Other challenges to developing bio-diesel markets they reported are increasing awareness of bio-diesel and placing a value on the benefits of the fuel which can cost 30 to 40 cents more per gallon than traditional diesel fuel. (Attachment 1)

Copies of the Kansas Department of Agriculture's Annual Legislative Report were distributed to members

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of the committee. (Attachment 2)

Jamie Clover Adams, Secretary, Kansas Department of Agriculture, reported on improvements the department has made in the Meat and Poultry Inspection Program and their efforts to assist small processing plants comply with the new HACCP regulations. She noted that USDA Secretary Dan Glickman has stated that HACCP was enacted with the hope of creating a system where interstate shipment of state inspected meat could occur. She believes the state system of meat inspection ensures that safe and wholesome products are produced, and that our meat processors should not be prohibited from marketing their meat across the country. (Attachment 3)

Dr. Lyman Kruckenberg, Meat and Poultry Inspection Program Manager for the Kansas Department of Agriculture, discussed implementation of the HACCP inspection system in state inspected meat and poultry plants and the regulations concerning the custom slaughter of dead, dying, diseased, or disabled animals. He noted that unlike federal inspectors, all state supervisory level inspectors have been trained in both regulatory and industry HACCP making it possible for state inspectors to offer assistance to plant owners in the development of their HACCP plans. Stating that food safety for all consumers of meat and poultry is the primary mission of the Meat and Poultry Inspection Program in the state, Dr. Kruckenberg discussed federal and state regulations concerning restrictions on the slaughter of animals that are disabled, diseased, or downers in "custom only" plants. (Attachment 4)

Representative Thimesch discussed helping small independent locker plants to prosper and creating opportunities for producers to increase profits. He gave an overview of the new Minnesota Meat Inspection Program created by the Minnesota Department of Agriculture in November, 1998. He reported that in its first year of existence the program has become popular among farmers and small-scale meat processors with fifteen plants registered and sixteen other processors interested in joining the program. It was noted during questioning that prior to November, 1998, Minnesota had no state inspected meat program and that Kansas has had a state meat and poultry inspection program and permits the sale of state inspected meat products by processors and producers. Representative Thimesch suggested that the state actively promote and encourage processors and producers to directly market their products to consumers, citing the economical benefits for farmers, small businesses, and rural communities in Kansas. (Attachment 5)

Representative Thimesch requested introduction of a committee bill to provide a tax credit for processing plants that had to purchase machinery and equipment to comply with safety regulations, up to \$10,000 per year, with carry over. Seconded by Representative Faber, the motion carried.

The meeting adjourned at 5:18 p.m. The next meeting is scheduled for January 31, 2000.