

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on February 5, 2003, in Room 423-S of the Capitol.

All members were present except: Representative James Miller - Excused

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

Conferees appearing before the committee:

Woody Moses, Kansas Aggregate Producers Association  
Laurel Murdie, Legislative Division of Post Audit  
Greg Foley, Assistant Secretary, Kansas Department of Agriculture

Others attending: See attached list

Ron Klataske, Audubon of Kansas, provided additional information in regard to **HB 2027** concerning the management and control of prairie dogs. (Attachment 1)

Woody Moses, Kansas Aggregate Producers Association, requested introduction of a committee bill to extend the compliance exemption period for aggregate product scales from the standards of the national conference on weights and measures until August 31, 2005. (Attachment 2) Representative Larkin moved to introduce this bill. Seconded by Representative Freeborn, the motion carried.

**Discussion and action on HB 2038 - Creating the Kansas propane education and research council.**

After briefing by staff, Chairman Johnson opened the floor for discussion.

Representative Freeborn moved to amend HB 2038 in Section 3 (a), page 2, lines 30-38, to change the number of council members from nine to ten. The tenth, non-voting member would be the State Fire Marshall or his/her designee. Seconded by Representative Thimesch, the motion passed.

Representative Freeborn moved to amend HB 2038 in Section 3 (i), page 3, line 42, by striking the period after the word "another" and adding "or provide for the purchase of equipment by a private business or corporation." The motion was seconded by Representative Powell. Discussion ensued concerning whether or not this would include nonprofit businesses and corporations. Representative Freeborn, with Representative Powell's consent, withdrew her amendment.

Representative Gatewood offered conceptual language to amend HB 2038 in Section 3 (i), page 3, line 42,

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by striking the period after the word “another” and adding “or provide for the purchase of equipment by a private, for-profit business or corporation.” Seconded by Representative Freeborn, the motion carried.

Representative Powell moved to amend **HB 2038** in Section 3, page 4, after line 3, by adding paragraph “(j) The council shall report annually to the house and senate agriculture committees. Such report shall include details of council programs, projects and activities as provided pursuant to this act.” and in Section 4 (a), page 4, lines 9 and 10, by changing the “½ cent per gallon” assessment to “3/10 of one cent per gallon” and striking the words, “unless approved by the council.” (Attachment 3) Seconded by Representative Thimesch, the motion passed.

Representative Larkin moved to recommend **HB 2038**, as amended, favorable for passage. The motion was seconded by Representative Powell. The motion carried.

**Discussion and Action on HB 2055 - Interest rate on agricultural production loan deposit agreements.**

Following briefing by staff, Chairman Johnson opened the floor for discussion.

Representative Larkin moved to recommend **HB 2055** favorable for passage and, because the bill is of a noncontroversial nature, be placed on the consent calendar. Seconded by Representative Schwartz, the motion carried.

Laurel Murdie, Legislative Division of Post Audit, presented the Performance Audit Report, *Meat Processing Plants: Determining What Factors May Have Contributed to a Decline in the Number of Small Plants and What Impact That Has Had on the State’s Economy*, dated November 2002. A copy of the report can be obtained from the Legislative Division of Post Audit.

The performance audit addressed two questions:

1. What factors may have contributed to a decline in the number of small meat-processing plants in the State and what impact has the decline had on the State’s economy?
2. Does Kansas have a sufficient number of inspectors, and are they properly trained and managed to ensure that standards are applied uniformly to all plants in Kansas?

In response to the first question, the performance audit shows that, like most states, Kansas has seen a drop in its number of small meat processing plants. Reasons most often cited for this include the age or lack of profitability of these plants, the declining rural economy, and the expense of bringing them up to standards. The number one thing current plant owners cited that could help them stay in business was being allowed to sell their products across state lines. The audit found that the decline in the number of state-inspected meat processing plants in Kansas likely had little impact on the State’s economy.

The Division of Post Audit made two recommendations in response to the first question.

- As the Legislature considers ways to address the State’s current budget crisis, the House

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Appropriations and Senate Ways and Means Committees may wish to weigh the costs and benefits of having a state-operated meat and poultry inspection program.

- The House and Senate Agriculture Committees should consider sending a concurrent resolution to Congress to help ensure that state-inspected meat processing plants in Kansas have the same opportunities to sell their meat products across state lines as federally inspected plants have.

In regard to the second question, survey results from owners of meat processing plants and the Department's inspection staff indicate there may be problems in several areas of the inspection program. Concerns were raised about staffing levels, training inspectors to deal with plant owners, and consistency of inspection and enforcement efforts.

The Division of Post Audit made four recommendations in response to the second question.

- When the results of the USDA Comprehensive Review of Kansas and eight other states are available next Spring, the Department of Agriculture should provide a copy to the Legislative Post Audit Committee and to other interested legislators and committees.
- The Department of Agriculture should review its inspection staffing levels to ensure they are appropriate.
- The Department of Agriculture should complete the new inspector's handbook in a timely manner to help ensure that inspection staff and plant owners have the same understanding of inspection regulations and guidelines.
- The Department of Agriculture should provide additional training to help ensure that inspection staff has the interpersonal skills necessary to interact with plant owners in difficult situations.

Greg Foley, Acting Secretary, Kansas Department of Agriculture, discussed the results of the Performance Audit Report. He noted that the audit showed that Kansas was in line with other states regarding changes in the meat processing industry. The Department supports interstate shipment of Kansas meat and poultry products and continues to work on issues of consistency in inspection across the state. He provided a comparison of state and federal meat and poultry inspection programs with his testimony. ([Attachment 4](#))

Dr. Evan Sumner, Manager, Meat and Poultry Inspection Program, Kansas Department of Agriculture, reported that the new inspector's handbook has been completed and distributed to inspection staff and plant owners. He noted that there will always be changes and updates. He discussed new federal mandates in regard to E-coli issued this week.

Representative Thimesch shared a letter he had written to Dr. Gary McKee, U. S. Department of Agriculture, asking him to come to Kansas to explain the process of changing from a state-inspected program to a federal program, also requesting information on how a cross utilization meat inspection agreement would work. The Representative distributed other background information concerning meat and poultry inspection. The performance audit had been requested by Representative Thimesch. ([Attachment 5](#))

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The meeting adjourned at 5:23 p.m. The next meeting is scheduled for February 10, 2003.