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ROLL NUMBER

DESCRIPTION

4007

2007 SENATE AGRICULTURE

SCR 4007

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 4007

Senate Agriculture Committee

Check here for Conference Committee

Hearing Date: January 19, 2007

Recorder Job Number: 1433

Committee Clerk Signature

*Cassie Krohn*

Minutes:

**Sen. Flakoll** opened the hearing on SCR 4007, a concurrent resolution urging Congress to provide adequate funding for state meat and poultry inspection programs and to enact legislation that allows federally approved state programs to ship state-inspected products interstate. All members (7) were present.

**Sen. Taylor**, district 7 and prime sponsor of SCR 4007, testified in favor of the bill.

**Sen. Taylor**- I bring to you SCR 4007, its actually my first resolution. Resolutions are really the state legislators way to indicate feelings on issues on a federal level, its not a law that actually is going into our state statue or books or enact any real change at a state level, but it puts out their sentiments on particular issues that are before Congress and the federal government. This resolution is about our state meat inspection program, and it actually came to me form concerns that were raised when I was serving on the Intern Economic Development Committee, we traveled around the state and met with many small business and business people in ND and we had some meat processors at one of our meetings who talked about their concern and inability to grow their markets cause they were unable to ship their state inspected meat products across state lines. So their market was very restricted and sometimes they are very close to the border. As we dig into the issue, we know that our state

meat inspection program is very successful. Those of us who've been involved in ranching or agricultural at the legislator are probably aware of that. I think it's a shining star of what we can do as a state to help facilitate small business and value added marketing particularly in the livestock sector. The program isn't that old but I think it has grown very well and its become very well respected and well run through our state department of agriculture. I'm going to leave the details of our state meat inspection program to presenters that will follow, as far as some of the plant locations and the number of inspectors and how this program has grown. The reason this is before you is to maintain adequate funding from the federal level which is under some scrutiny right now, these are federal dollars coming into our state meat inspection program that actually are more efficiently spent in a state meat inspection program than we would be if we forced these plants to go under USDA inspection, it's a good buy for the federal government and the state ought to be able to continue to access those funds and run this program as efficiently as they have. More so in my mind, the reason behind this resolution is the urging that a bill that before congress in both the house and the senate be inactive which would open up state meat inspected products to enter state shipment, to go across state lines. The two bills before the Congress are house resolution 6130 and senate bill 3519, the house resolution is sponsored by a man in Missouri and senate is by a man in Utah. There are 21 co-sponsors on the house resolution and about 14 in the senate, including all of our ND delegations. So this is important to cattle country, we would like to see congress enact the law so that meat plant in ND that is under a state meat inspection program can ship to other states, and have the same ability to ship to states as foreign nations have. I think 34 foreign nations can ship product into the US at this time and they do it with USDA oversight then what our state meat inspection program has. We should allow our state programs to do the same thing, it allows our small businesses to compete right along side the big businesses that are under

USDA inspection. I think it is a matter of fairness for a small business in ND I think it is a matter of efficiency and good government to maintain a locally controlled service that we've done a good job with and I think it is a matter of market opportunity for our ranchers in ND. We've always had a good reputation for the cattle in ND and the kind of meat we produce and it would be nice to be able to ship that across state lines and share that with the rest of the nation. I would encourage a do pass.

**Sen. Flakoll-** if this bill does pass both chambers, maybe you could send a copy to Rep. Peterson in Minnesota who chairs the Ag committee on the house side?

**Sen. Taylor-** that would be a fair idea to send it to both the house and senate Ag committee's.

**Rep. Onstad,** district 4, testified in favor of the bill

**Rep. Onstad-** We are trying to develop livestock as the state as a whole. We have an excellent program of state meat inspectors, we have an unfair advantage because we are not able to cross state lines. I think the amendment would be a great change.

**Dr. Andrea Grondahl,** director of the State Meat and Poultry Inspection Program for the North Dakota Department of Agriculture, testified in favor of the bill.

**Sen. Wanzek-** often I hear when we are talking about expanding animal agriculture and feed lots and things of that nature, do you think something like this will actually provide or enhance the opportunities in expanding our feed lot and actually feeding more cattle here in ND?

**Dr. Andrea Grondahl-** I do think so and that there is great potential. With this situation they still have a say and they still have their name attached to that product, I think there would be more opportunity to keep some of the beef in ND to be slaughtered here and therefore increase the size of feed lots.

**Sen. Klein-** should these plants be looking at federal standards and if they look at the federal standards then they can ship interstate, are a lot of these plants choosing to go federal so that they don't have the issue so that they don't have the issue that we are talking about today?

**Dr. Andrea Grondahl-** you might ask that question of one of our state inspection plant owners, my answer is that some have looked at federal inspection we have not yet had any switch, I think that will happen in time if this legislation doesn't pass. But the big obstacle is not the requirements, the difference is the technical assistance and guidance we are able to provide at the state and the accessibility that we can provide. In the federal plant, if they have a problem with their inspector there are a lot of people in that plant that they have to go through.

**Sen. Flakoll-** do you have any harvest trends like in the last 10 years of various species?

**Dr. Andrea Grondahl-** are you asking as far as what's been slaughtered and processed at state plants? I do, I have a handout that I could get to you.

**Sen. Behm-** at this point I understand that we can't ship our meat out of state?

**Dr. Andrea Grondahl-** no you can't.

**Art Wanner,** runs the Wurst shop in Dickinson, ND, testified in favor of the bill.

**Art Wanner-** I run the Wurst shop in Dickinson North Dakota and we are a state inspected facility. We do not do slaughtering we only make sausage. We have customers from all over the US but we can not sell them our product unless they come and pick it up physically. We've done everything to meet the federal standards, yet we can't ship interstate.

**Sen. Taylor-** your further processing, are you accessing product form another state inspected plant that harvests, or are you you buying USDA inspected whole cuts that you further process?

**Art Wanner-** at this time we buy USDA inspected products.

**Sen. Erbele-** other than the difficulty in accessing the regulatory people through the federal inspections, would you incur a whole lot more cost being federally inspected than state inspected?

**Art Wanner-** there are some additional costs. The federal things are a lot of little things that don't make much sense to a little shop in Dickinson ND. The federal is geared to big businesses.

**Wade Moser** from the ND Stockmen's Association testified in favor of the bill.

**Wade Moser-** We are here in support of the resolution, I think it is always good to have the hands on people coming in to tell personal experience of the difficulties that they run into with the federal inspection program. We think that for several years that USDA was holding up the process, they weren't willing to really buy into it, and I think they have gotten beyond that and I think maybe its because of people like Dr. Grondahl who have shown that these state programs can be run and run very well. We still need to push congress to have the will to pass the legislation and look beyond all the criticism that the opponents might have of some state inspection, that it is not a bad system, it's not less than what the federal has. Everyone of these programs is approved by USDA, they have to be equal or exceed federal inspection procedures. We encourage you to pass this and probably recommend the amendment.

**Sen. Wanzek-** do you think we should send this to the chairmen of the committee?

**Wade Moser-** I think that would be good just so it shows that this thing needs to be addressed and addressed as soon as possible. I also want everyone to know for the record that **Brian Kramer** from ND Farm Bureau has signed in and that they support the resolution also.

**Kayla Pulvermacher**, lobbyist 289, representing ND Farmers Union testified in favor of the bill.

**Kayla Pulvermacher**- We are in support of the senate concurrent resolution 4007, Farmers Union believes that livestock production is essential to the well being of North Dakota. North Dakota Farmers Union actively promotes the development of livestock production in North Dakota, as a vital component and maintaining a healthy agriculture sector. We believe this bill helps to grow the industry and we are urge a do pass.

**Mary Mitchell** from the Dakota Resource Council testified in favor of the bill.

**Mary Mitchell**- We also support this bill and ask for a do pass.

**Sandy Clark** from the ND Farm Bureau and **Brian Kramer** from the ND Farm Bureau were also present and were in favor of the bill.

**Sen. Flakoll** calls **Dr. Grondahl** back to the podium for further questions.

**Sen. Heckaman**- would you anticipate any further expense if this resolution is passed, is it going to be additional cost to the current processors in our state?

**Dr. Andrea Grondahl**- that is a tough question to answer. The house and the senate version of the bill currently are different. One bill has identical to wording rather than equal to wording and so part of this depends on what version of the bill passes and what the wording is. If that would happen, if it was an identical to, there could potentially be additional cost to incorporate various federal directives that might not be right now. However, another side of this some of the legislation increases the federal match, I've seen up to 60%. So, it is hard for me to say. I wouldn't think so in my opinion but I do not do for sure.

**Sen. Heckaman**- would that be additional duties for your department?

**Dr. Andrea Grondahl**- if we needed to incorporate the additional directives or regulations yes.  
No oppositions to the resolution.

**Sen. Flakoll** closed the hearing.



**Sen. Klein** motioned for a Do Pass **Sen. Taylor** seconded the motion on roll call vote number one, 7 yeas 0 nays 0 absent. **Sen. Taylor** motioned for a Do Pass as Amended **Sen. Wanzek** seconded the motion on roll call vote two, 7 yeas 0 nays 0 absent. **Sen. Taylor** was designated to carry the bill to the floor.

Date: January 19, 2007  
 Roll Call Vote #: 1

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 4007**

Senate Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Klein Seconded By Taylor

Senators	Yes	No	Senators	Yes	No
Tim Flakoll-Chairman	X		Arthur H. Behm	X	
Terry M. Wanzek-Vice Chairman	X		Joan Heckaman	X	
Robert S. Erbele	X		Ryan M. Taylor	X	
Jerry Klein	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Date: January 19, 2007  
Roll Call Vote #: 2

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 4007

Senate Agriculture Committee

Check here for Conference Committee

Legislative Council Amendment Number 78284.0101

Action Taken Do Pass as Amended

Motion Made By Taylor Seconded By Wanzek

Senators	Yes	No	Senators	Yes	No
Tim Flakoll-Chairman	X		Arthur H. Behm	X	
Terry M. Wanzek-Vice Chairman	X		Joan Heckaman	X	
Robert S. Erbele	X		Ryan M. Taylor	X	
Jerry Klein	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Taylor

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SCR 4007: Agriculture Committee (Sen. Flakoll, Chairman) recommends AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4007 was placed on the Sixth order on the calendar.

Page 2, line 10, after the comma insert "the Chairmen of the United States Senate and United States House of Representatives Agriculture Committees,"

Renumber accordingly

2007 HOUSE AGRICULTURE

SCR 4007

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SCR4007

House Agriculture Committee

Check here for Conference Committee

Hearing Date: 2-22-07

Recorder Job Number: 3658

Committee Clerk Signature

Minutes:

**Chairman Johnson** opened the hearing on SCR 4007.

**Chairman Johnson:** Sen. Taylor is at funeral today. I will hear testimony today and leave it open for comments from him when he gets back.

**Rep Onstad, Dist 4:** This resolution urges congress to adequately fund state meat and poultry funding programs. This is very important to the state to expand livestock development. We are currently looking to add 5 or 6 new meat inspectors. The state process to certify state inspectors is the same as federal inspectors. Referred to lines 18 and 19 and commented that foreign inspected meat can be shipped freely nationwide. Yet they have less oversight than what is being done in our state inspectors processing plants. In my part of the state there are five or six that have found a marketing alliance. Two are federally inspected plants and the others are just state inspected plants. Yet, they are not allowed to go out of state as a group. Only the two federally inspected can ship out of state. 4007 is important to the future of the state.

**Wayne Carlson, Program Manager of Livestock Services, Dept of Ag:** (testimony attached) No questions.

*House  
Ag*

**Kayla Pulvermacher, ND Farmers Union:** The ND Farmers Union actively promotes the development of livestock production in ND as a vital component in maintaining the agriculture sector. Allowing our state-inspected meat and poultry to cross state lines will help expand our producers' markets.

**Mary Mitchell, Dakota Resource Council:** Urge a do pass on SCR 4007

**Chairman Johnson** closed the hearing.

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SCR 4007

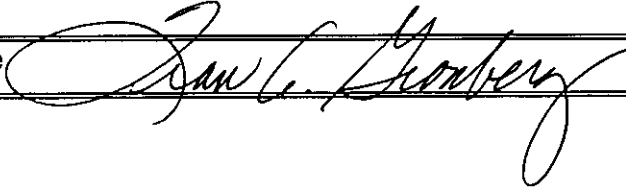
House Agriculture Committee

Check here for Conference Committee

Hearing Date: 2-23-07

Recorder Job Number: 3722

Committee Clerk Signature



Minutes:

**Chairman Johnson** reopened the hearing.

**Rep Taylor:** It first came up at an economic development meeting. I am here to urge you to support the resolution. It certainly has a lot of opportunities for ranchers in our state. The standards that our state inspection providers go through are equal to or better than the federal.

**Chairman Johnson** closed the hearing.

**Rep Heller** moved a **Do Pass** motion.

**Rep Mueller** seconded the motion

(Yes) 9 (No) 0 (Absent) 4

**Carrier:** Rep Headland



Date: 2/23/07  
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

House Agriculture

Committee

Check here for Conference Committee

Legislative Council Amendment Number SCR 4007

Action Taken DP

Motion Made By Rep Heller Seconded By Rep Mueller

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson	✓		Tracy Boe		
Vice Chair Joyce Kingsbury	✓		Rodney Froelich		
Wesley Belter			Phillip Mueller	✓	
Mike Brandenburg	✓		Kenton Onstad	✓	
Craig Headland	✓		Benjamin Vig	✓	
Brenda Heller	✓				
John D Wall					
Gerry Uglen	✓				

Total (Yes) 9 No 0

Absent 4

Floor Assignment Rep Headland

If the vote is on an amendment, briefly indicate intent:

*To be placed on consent calendar*

**REPORT OF STANDING COMMITTEE**

**SCR 4007, as engrossed: Agriculture Committee (Rep. D. Johnson, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (9 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). Engrossed SCR 4007 was placed on the Tenth order on the calendar.**

2007 TESTIMONY

SCR 4007



600 E Boulevard Ave., Dept. 602  
Bismarck, ND 58505-0020

**Testimony of Dr. Andrea Grondahl  
State Meat Inspection Director  
Senate Concurrent Resolution 4007  
Senate Agriculture Committee  
Roosevelt Room  
January 19, 2007**

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Chairman Flakoll and members of the Agriculture Committee, I am Dr. Andrea Grondahl ,  
Director of the State Meat and Poultry Inspection Program for the North Dakota Department of  
Agriculture (Department). I am here today in support of SCR 4007 which urges congress to  
provide adequate funding to state meat and poultry inspection programs and to enact legislation  
that allows state-inspected product to be shipped interstate.

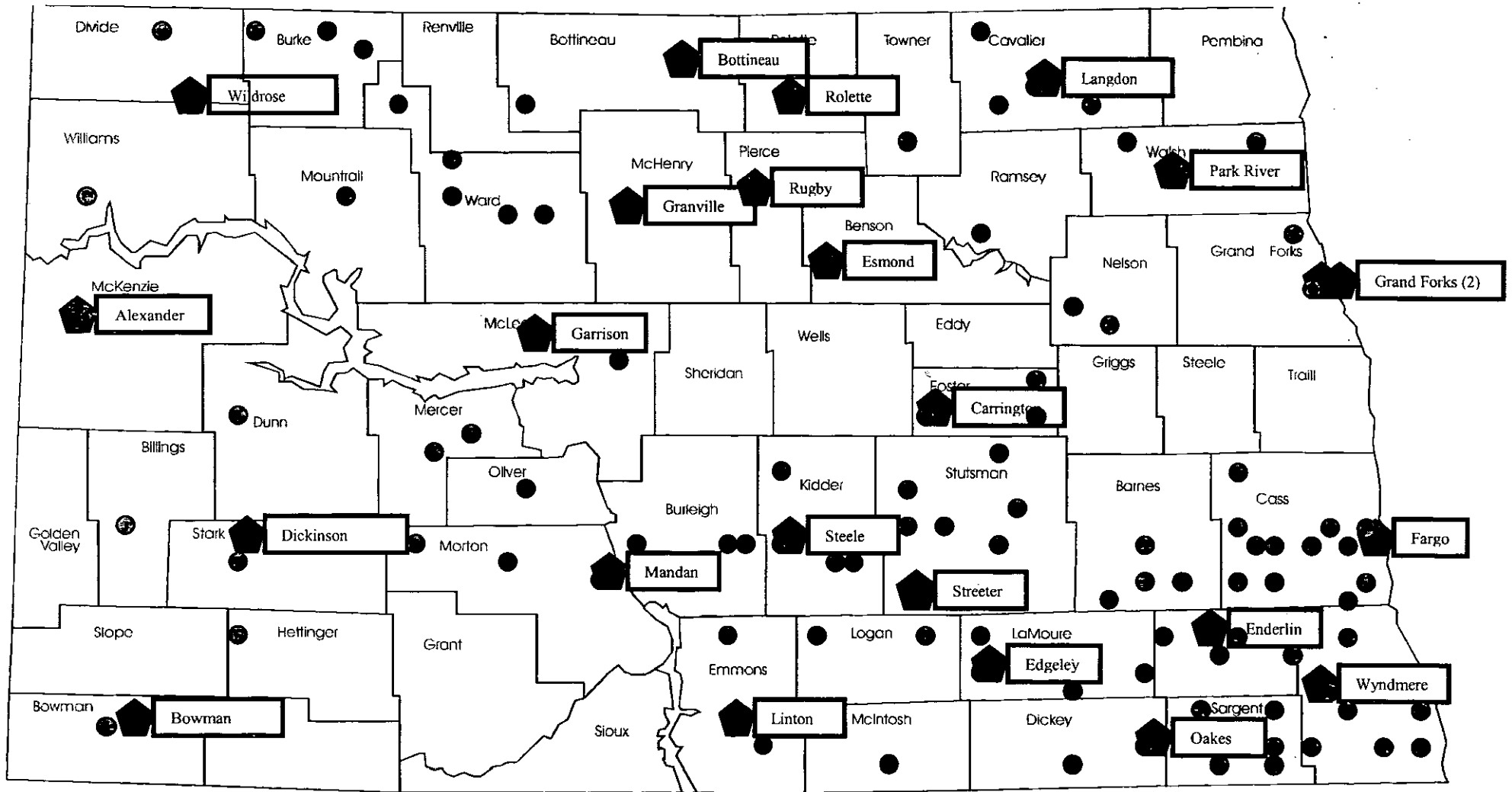
Legislation to lift the ban on interstate shipment for state-inspected products is long overdue.  
This ban has been in place for almost forty years even though the United States Department of  
Agriculture Food Safety and Inspection Service (USDA-FSIS) has agreed, after thirty five years  
of annual verification reviews, that state inspection programs are 'at least equal to' federal  
inspections. This legislation would give local meat processors the same marketing opportunities  
that federal-inspected plants and international meat suppliers currently enjoy.

Adequate funding for state programs is the second issue addressed in SCR 4007. USDA-FSIS normally provides a fifty percent match in funding for all state programs that meet "equal to" criteria set by their agency. However, due to recent federal funding reductions, USDA-FSIS only provided the Department with approximately forty one percent of the total expenditures for Federal Fiscal Year (FFY) 2006. . The latest information received from USDA-FSIS is that they are still operating on a continuing resolution and we should anticipate the same level of funding for FFY 2007.


Continued budget shortfalls will have many negative impacts on our state program. The most significant impacts relate to personnel and travel, which account for nearly 94 percent of program costs. The only effective way to cut costs is to significantly reduce or eliminate inspectors and/or travel to and from meat processing establishments. This will make it impossible to provide service to any new businesses, allow fewer inspections of existing establishments, and limit the volume of product made under inspection. This will be particularly hard on North Dakota's program since it is relatively young and still growing. Demand for state inspection service has already been beyond what we are able to provide, and we expect it to continue increasing for the next several years.

Therefore, Chairman Flakoll and committee members, I would like to recommend a "do pass" on SCR 4007. I would like to thank you for the opportunity to testify and would be happy to answer any questions you may have.

# NORTH DAKOTA OFFICIAL STATE SLAUGHTER AND PROCESSING ESTABLISHMENTS



 **Current Official Establishment**

 **Existing plants or plants in construction that are or intend to pursue state-inspection**

 **Location of Outlets of State Inspected Products**

Roger Johnson  
Agriculture Commissioner  
www.agdepartment.com



Phone (701) 328-2231  
Toll Free (800) 242-7535  
Fax (701) 328-4567

600 E Boulevard Ave., Dept. 602  
Bismarck, ND 58505-0020

**Testimony of Wayne Carlson  
Livestock Services Program Manager  
Senate Concurrent Resolution 4007  
House Agriculture Committee  
Peace Garden Room  
February 22, 2007**

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Chairman Johnson and members of the Agriculture Committee, I am Wayne Carlson, Program Manager of Livestock Services for the North Dakota Department of Agriculture (Department). I am here today in support of SCR 4007 which urges congress to provide adequate funding to state meat and poultry inspection programs and to enact legislation that allows state-inspected product to be shipped interstate.

Legislation to lift the ban on interstate shipment for state-inspected products is long overdue. This ban has been in place for almost forty years even though the United States Department of Agriculture Food Safety and Inspection Service (USDA-FSIS) has agreed, after thirty five years of annual verification reviews, that state inspection programs are 'at least equal to' federal inspections. This legislation would give local meat processors the same marketing opportunities that federal-inspected plants and international meat suppliers currently enjoy.

Adequate funding for state programs is the second issue addressed in SCR 4007. USDA-FSIS normally provides a fifty percent match in funding for all state programs that meet "equal to" criteria set by their agency. However, due to recent federal funding reductions, USDA-FSIS only provided the Department with approximately forty one percent of the total expenditures for Federal Fiscal Year (FFY) 2006. . The latest information received from USDA-FSIS is that they are still operating on a continuing resolution and we should anticipate the same level of funding for FFY 2007.

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Therefore, Chairman Johnson and committee members, I would like to recommend a "do pass" on SCR 4007. I would like to thank you for the opportunity to testify and would be happy to answer any questions you may have.