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ROLL NUMBER

DESCRIPTION

2220

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Operator's Signature

12/21/03
Date

2003 SENATE AGRICULTURE

SB 2220

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2220

Senate Agriculture Committee

☐ Conference Committee

Hearing Date 01/23/03

Tape Number	Side A	Side B	Meter #
1		x	2384 - 6080
Committee Clerk Signature			

Minutes:

Chairman Flakoll opened the hearing on SB 2220. All members were present.

Dr. Andrea Grondahl, State Meat Inspection Director, testified in favor of the bill. (written testimony) (meter # 2390)

Dr. Grondahl added this does not impose stricter or additional regulations to anyone slaughtering, processing or selling poultry products, it just allows state inspection instead of federal inspection.

Senator Flakoll asked if this bill will have zero effect on wild game?

Dr. Grondahl said it will have zero effect on wild game. Currently the Department of Health requires inspection of any game animal that is going to be sold. This bill will actually provide more opportunity because it would allow state inspection

Senator Flakoll asked if ostrich and emu are poultry?

Dr. Grondahl said yes, they are poultry, they are considered ratites.

Senator Urlacher asked if all plants are either state or federally inspected and if they have the same guidelines.

Dr. Grondahl confirmed they have the same guidelines.

Senator Klein asked if we are still restricted to selling within the state borders if state inspected.

Dr. Grondahl said that is true, the only exception is non traditional animals such as bison and elk. They can be sold across state borders.

Senator Flakoll asked if this bill will change for example the Huderite colonies and their poultry products?

Dr. Grondahl said they are actually the three plants that have requested state inspection. They want to go from federal to state inspection.

Senator Urlacher asked in the event of a planned expansion, are the same guidelines followed as on the federal side?

Dr. Grondahl said they are required by law to be the same as federal.

Senator Urlacher said he was familiar with a case when a state inspected plant underwent some expansion under state inspection and when the federal inspectors came in, several expensive changes had to be made.

Dr. Grondahl said they regulations should always be the same.

Senator Nichols asked on page 2 lines 28 and 29, why has "other than poultry" has been added?

Dr. Grondahl said this has to do with federal regulations. They do not allow a business to retail products and custom process products. With poultry these two actions are not allowed in the same plant so this wording is to keep in compliance with federal regulations.

Senator Urlacher asked how often are processing plants inspected?

Dr. Grondahl stated custom plants are inspected 2 - 4 times per year, usually quarterly. Official establishments are inspected every time they process or slaughter under inspection, usually one to five times per week.

Senator Flakoll asked if there is any charge to the establishment when the inspection is done?

Dr. Grondahl said no.

Senator Klein said the whole idea behind the state meat inspection program was to get more plants on line. With 10 state inspected plants, we are progressing toward that goal. As we move forward, if we are mirroring the federal regulations, wouldn't it be a benefit to these plants to be federally inspected and expand their markets beyond our borders?

Dr. Grondahl said the difference in state inspection is that the system is designed to deal with small to medium sized processors. It is a little easier to get the state grant of inspection. The federal grant of inspection is very hard to get. Hopefully we will see more small processors come under state inspection. There are 95 custom exempt plants in North Dakota so there is a huge potential. The more plants that come under state inspection, the more opportunity to state producers for marketing their products.

Dr. Grondahl said that although the facility requirements have to be met, the benefit of state inspection is they offer training and help the processors get through the requirements.

Larry Coon, owner of Edgely Meat Processing Plant, testified in favor of the bill. (written testimony) (meter #3906) He became a state inspected plant about 1 1/2 years ago. His business has grown and improved since he became state inspected and the addition of poultry to the inspection program would allow more growth and expansion.

Senator Klein asked where are the outlet stores?

Mr. Coon said one is in an appliance store in Jamestown. He has a cooler and 2 freezers in the store. They make a variety of sausages and also retail steaks and roasts.

Senator Urlacher asked if federal requirements and state requirements are the same, could you do the same thing under the federal program?

Mr. Coon said he assumed so.

Loren Kittleson from Jamestown testified in a neutrally opposed position. His parents had a grocery store in Filmore. He wondered if meat stores take business away from "Mom and Pop" grocery stores?

Senator Klein said he is familiar with "Mom and Pop" grocery stores and the state inspected meat program offers the "Mom and Pop" stores a source of products for their retail case without the cost of becoming state inspected themselves.

Chairman Flakoll closed the hearing on SB 2220. (meter # 4916)

Senator Erbele moved and Senator Klein seconded a Do Pass action on SB 2220.

Senator Nichols said this seems like the kind of thing that will help small operations and small stores, too.

Senator Klein said if plants are already hauling their beef products to market, its good to allow them to sell poultry, too.

Senator Urlacher said he can see the values in this but he had an experience where in an expansion there was a little mix up because even though they followed all the guidelines, the guidelines changed and it was expensive.

Senator Flakoll said that in the slaughtering business, we are shooting at a moving target sometimes.

The Do Pass motion passed on a roll call vote. Voting in favor were Senator Flakoll, Senator Erbele, Senator Klein, Senator Urlacher, Senator Nichols, and Senator Seymour. There were no negative votes. Senator Erbele will carry the bill.

Chairman Flakoll called a recess of the Senate Agriculture Committee.

FISCAL NOTE

Requested by Legislative Council
03/11/2003

Amendment to: SB 2220

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$2,200	$2,200	$2,200	$2,200
Appropriations	$0	$0	$0	$0	$0	$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	$0	$0	$0	$0	$0	$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill adds poultry to the inspection responsibilities of the State Meat Inspection Program. The bill would require the program to enforce USDA Food Safety and Inspection Service (FSIS) rules and regulations as they pertain to poultry in state plants. Since inspectors are already inspecting state plants, no additional staff will be required. The program will be required to do additional inspections on three custom exempt poultry plants that are currently being inspected by federal inspectors.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

No additional revenue will be generated.

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The proposed bill would increase the expenditures of the State Meat Inspection Program for the additional cost of inspecting the three custom exempt poultry plants and for the training for the inspectors to learn poultry inspection procedures and regulations. FSIS will reimburse the state for 50% of all expenditures incurred inspecting poultry.

   C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The appropriation for the State Meat Inspection line in the Agriculture Commissioner budget should be increased by $4,400 to increase the same amount as the expenditures to ensure that there is adequate funding.

Name:	Jeff Weispfenning	**Agency:**	Agriculture
Phone Number:	328.4758	**Date Prepared:**	03/11/2003

FISCAL NOTE

Requested by Legislative Council
01/20/2003

Bill/Resolution No.: SB 2220

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$2,200	$2,200	$2,200	$2,200
Appropriations	$0	$0	$0	$0	$0	$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	$0	$0	$0	$0	$0	$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill adds poultry to the inspection responsibilities of the State Meat Inspection Program. The bill would require the program to enforce USDA Food Safety and Inspection Service (FSIS) rules and regulations as they pertain to poultry in state plants. Since inspectors are already inspecting state plants, no additional staff will be required. The program will be required to do additional inspections on three custom exempt poultry plants that are currently being inspected by federal inspectors.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

No additional revenue will be generated.

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The proposed bill would increase the expenditures of the State Meat Inspection Program for the additional cost of inspecting the three custom exempt poultry plants and for the training for the inspectors to learn poultry inspection procedures and regulations. FSIS will reimburse the state for 50% of all expenditures incurred inspecting poultry.

   C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The appropriation for the State Meat Inspection line in the Agriculture Commissioner budget should be increased by $4,400 to increase the same amount as the expenditures to ensure that there is adequate funding.

Name:	Jeff K. Weispfenning	**Agency:**	Agriculture
Phone Number:	328-4758	**Date Prepared:**	01/20/2003

Date: 1/23/03
Roll Call Vote #: 2202 - 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate Agriculture Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass

Motion Made By Sen Erbele Seconded By Sen Klein

Senators	Yes	No	Senators	Yes	No
Senator Tim Flakoll, Chair	✓		Senator Ronald Nichols	✓	
Senator Robert S. Erbele, V. Chair	✓		Senator Tom Seymour	✓	
Senator Jerry Klein	✓				
Senator Herb Urlacher	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen Erbele

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

REPORT OF STANDING COMMITTEE (410)
January 23, 2003 1:47 p.m.

Module No: SR-13-0986
Carrier: Erbele
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2220: Agriculture Committee (Sen. Flakoll, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2220 was placed on the Eleventh order on the calendar.

2003 HOUSE AGRICULTURE

SB 2220

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2220

House Agriculture Committee

☐ Conference Committee

Hearing Date 3--07--03

Tape Number	Side A	Side B	Meter #
ONE	A		OO TO 14
Committee Clerk Signature	Edward D Ellefson		

Minutes:

CHAIRMAN NICHOLAS : Committee members, we will open on SB 2220.. The first bill here is Senator Erbele bill. We will go ahead and start.

JORDAN WOODBURY: Compliance Officer/Senior Inspector. North Dakota Department of Agriculture. I am here to testify in support of the bill. { please read printed testimony}

CHAIRMAN NICHOLAS: Do you yourself go out and inspect.

JORDAN WOODBURY: My position is supervise staff so I do annually reviews and go out with inspectors.

REP. FROELICH : How is it really going. Are we having any trouble with compliance?

JORDAN WOODBURY: Things seem to be going quite well. From our stand point plants are working with us.

JORDAN WOODBURY: You have not had to shut anybody down?

JORDAN WOODBURY Not at this time.

LARRY COON: I own the Edgeley Meat Processing Plant in south eastern ND.

The state passed legislation to have a state meat inspection program. That meant I had to spend A lot of money to bring it up to date. Somewhere around $90,000.00 dollars. Putting a truck on the road and things like that. I used to be able to sell meat in one of the stores, they kind of grandfathered me so I could have one store that I could sell out of. When the state inspection Plan came in they would not let me do that. Unless I become a state plant. I could not go out beyond my place to sell what I make. We are know for a wide variety of sausages. Plus other food products as well. We do butchering of animals as well. I spend the money an become a state meat processing plant. Met the requirements and stuff. We used to be in 8 towns and now we are in 9 towns. We have 13 different stores we are sell in. This is such a good program. I have had to pick up extra employees because we have really grown. It is a good program for ND in fact if we can get it through the Federal beyond ND because it is the dickens when you hit the Canadian boarder, or the state line with Montana, SouthDakotaa and Minnesota. Those people are going to die if we sell them mean across the boarder. It is a sad situation.
Each one of the plants are picking up more employees all the time. We do poultry also.
Smoke turkeys. Be nice if we can get the poultry into this program.
The inspectors have been good to work with. If there are there to make changes they explain the reason and they are right. Since I become a state inspected plant, I would not tell people this, Our growth last year was $87,000.00 dollars over the previous year. It will go up if you put in the poultry. Hope fully we will have Federal Inspectors in ND in a couple of years. Our main opposition are large meat packers. They do not want this.

CHAIRMAN NICHOLAS: Anyone else in opposition to this bill. Anyone to oppose the bill.

THE CHAIR WILL ENTERTAIN A MOTION ON SB 2202.

REPRESENTATIVE FROELICH: MADE A MOTION FOR A DO PASS WITH AMENDMENTS.

REPRESENTATIVE BOE: SECONDED THE MOTION. VOICE VOTE WAS A DO PASS.

CHAIRMAN NICHOLAS: I WILL ENTERTAIN A MOTION ON SB 2202.

REPRESENTATIVE FROELICH: MADE A MOTION FOR A DO PASS

REPRESENTATIVE BOE: SECONDED THE MOTION.

THE ROLL WAS TAKEN. THERE WERE 10 YES 0 NO 3 ABSENT

REPRESENTATIVE BOE CARRIED THE BILL

CHAIRMAN NICHOLAS CLOSED THE HEARING ON SB 2220.

SB2220
3-7-03

Date:
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House AGRICULTURE COMMITTEE

☐ Check here for Conference Committee

Legislative Council Amendment Number WITH AMENDMENTS

Action Taken DO PASS

Motion Made By FROELICH Seconded By BOE

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN NICHOLAS					
VICE CHAIRMAN POLLERT					
REPRESENTATIVE BELTER					
REPRESENTATIVE BOEHNING			VOICE VOTE PASSED		
REPRESENTATIVE KELSCH					
REPRESENTATIVE KINGSBURY					
REPRESENTATIVE KREIDT					
REPRESENTATIVE UGLEM					
REPRESENTATIVE WRANGHAM					
REPRESENTATIVE BOE					
REPRESENTATIVE FROELICH					
REPRESENTATIVE MELLER					
REPRESENTATAIVE ONSTAD					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

SB 2220
3-7-03

Date:
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House AGRICULTURE COMMITTEE

☐ Check here for Conference Committee

Legislative Council Amendment Number AS AMENDED

Action Taken DO PASS

Motion Made By FROELICH Seconded By BOE

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN NICHOLAS	✓				
VICE CHAIRMAN POLLERT	✓				
REPRESENTATIVE BELTER					
REPRESENTATIVE BOEHNING	✓				
REPRESENTATIVE KELSCH					
REPRESENTATIVE KINGSBURY	✓				
REPRESENTATIVE KREIDT	✓				
REPRESENTATIVE UGLEM	✓				
REPRESENTATIVE WRANGHAM	✓				
REPRESENTATIVE BOE	✓				
REPRESENTATIVE FROELICH	✓				
REPRESENTATIVE MELLER					
REPRESENTATAIVE ONSTAD	✓				

Total (Yes) 10 No 0

Absent 3

Floor Assignment REP BOE

REPORT OF STANDING COMMITTEE (410)
March 7, 2003 2:51 p.m.

Module No: HR-41-4283
Carrier: Boe
Insert LC: 30411.0201 Title: .0300

REPORT OF STANDING COMMITTEE

SB 2220: Agriculture Committee (Rep. Nicholas, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2220 was placed on the Sixth order on the calendar.

Page 1, line 1, replace the first "section" with "sections" and remove "subsection 3 of section"

Page 2, line 22, after "includes" insert "domesticated"

Page 2, line 25, replace "Subsection 3 of section" with "Section"

Page 2, after line 26, insert:

"**36-24-10. Individual and custom processing.**

1. This chapter does not apply to an individual processing the individual's own animals and the individual's preparation and transportation in intrastate commerce of the whole carcasses, parts of carcasses, and meat food products provided the animals are for the exclusive use of the individual, members of the individual's household, the individual's nonpaying guests, and employees.

2. This chapter does not apply to the custom processing by a person of animals delivered by the owner for processing, and the preparation or transportation in intrastate commerce of the whole carcasses, parts of carcasses, and meat food products of the animals, provided that the products are to be used exclusively in the household of the animal's owner by the owner and members of the owner's household, nonpaying guests, and employees."

Page 3, after line 2, insert:

"4. The provisions of this chapter requiring inspection of the preparation of poultry carcasses and parts thereof, and poultry food products at establishments conducting those operations do not apply to any retailer with respect to poultry products sold in commerce directly to consumers in an individual retail store, provided that the retailer does not engage in the business of custom slaughter, and provided that the poultry products sold in commerce are derived from poultry inspected and passed by the commissioner or the United States department of agriculture."

Renumber accordingly

2003 TESTIMONY

SB 2220

Roger Johnson
Agriculture Commissioner
www.agdepartment.com

Department of Agriculture

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 Dr. Andrea Grondahl
State Meat Inspection Director
Senate Bill 2220
Agriculture Committee
Roosevelt Park Room
January 23, 2003

Chairman Flakoll and Committee members, for the record, my name is Dr. Andrea Grondahl. I am the state meat inspection director for the Department of Agriculture. I am here to testify in support of Senate Bill 2220.

The state meat inspection program was created by the 1999 Legislature in order to allow small and medium meat processors and livestock producers a better opportunity to market their product. When the state adopted an inspection program we had the option to include red meat, poultry or both. At the time, the demand for inspection service was strong for red meat products but did not seem to exist for poultry and was, therefore, not included in the program. However, this has changed in the last four years and there now is a demand for inspection service for poultry.

The state meat inspection program offers most of the advantages of federal inspection but is specially designed to help small businesses. The state program is able to assist smaller businesses more effectively and efficiently then the federal system which caters almost exclusively to large

packing and processing plants. State inspectors are perceived as easier to work with because they help the companies meet and operate within the regulations. The North Dakota program was approved of by USDA and implemented in October, 2000. Within this time the program has been instrumental in the development of ten official state establishments or "state inspected" plants. This classification allows meat processors to wholesale local products throughout the state and provides more "user-friendly" outlets for producers to direct market their brand name products.

Senate bill 2220 creates additional opportunities for existing meat processors and provides new business opportunities. Out of our ten official establishments, three have already indicated the desire to process poultry products. I have included copies of their letters that request the state provide inspection for poultry. Poultry inspection service will also provide new businesses an opportunity to create new markets for state-inspected poultry products.

The addition of poultry to the inspection program will incur minimal costs. These amounts are included in the fiscal note for the bill. The costs include training staff on all relevant regulations and inspection techniques and the additional time and travel for inspection of three existing custom exempt poultry plants.

Mr. Chairman and committee members, I urge a do pass on Senate Bill 2220. If you have any questions, I would be happy to answer them.

Thank you.

THE BUTCHER BLOCK

421 South 3rd Street ~ Oakes, North Dakota 58474-1123

Phone: 701-742-2713
Toll Free: 1-888-742-3158

Fax: 701-742-3158
E-Mail: butchblk@drservices.com

March 27, 2002

Dr. Grondahl,

I am writing to you about my concerns with the poultry inspection.

We sell a lot of marinated chicken breasts through our regular meat case. With the inspection system as it is today, we will not be able to market this product any where other than this location. I think this is a very marketable product, both wholesale and retail.

I would like to see the state take over the poultry inspection program, so that we can market all of these fine products.

I hope you will consider this matter. Thank for all of your support and the state meat inspection program.

Thank you,

Ron Mahoney

Ron Mahoney

10-30-01

To: North Dakota Department of Agriculture
Meat Inspection Program

We would like to see the state adapt a poultry program. We would like to market our Turkey product & feel this would be a benefit to our business.

Sincerely,

Keith & Linda Albecht
Hickory Hut
Hwy #1 South
Langdon ND 58249

Linda Albrecht
Keith D Albrecht

EDGELEY MEAT PROCESSING PLAN

605 6TH Ave W.
Edgeley, ND 58433

November 1, 2001

Dr. Andrea Grondahl, Director
State Meat Inspection Program
ND Department of Agriculture
600 E Boulevard Avenue Dept 602
Bismarck, ND 58505-0020

Dear Dr. Grondahl:

We would like the North Dakota Department of Agriculture to add another service to the State Meat Inspection Program. It would be very beneficial to us if poultry would be added to the list of products under the inspection program.

Your consideration in this matter would be very much appreciated.

Sincerely yours,

EDGELEY MEAT PROCESSING PLANT

Larry L. Coon

Larry L. Coon, Owner-Manager

Roger Johnson
Agriculture Commissioner
www.agdepartment.com

North Dakota
Department of
Agriculture

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 Jordan Woodbury
Compliance Officer/Senior Inspector
Senate Bill 2220
Agriculture Committee
Peace Garden Room
March 7, 2003

Chairman Nicholas and Committee members, for the record, my name is Jordan Woodbury. I am the compliance officer and senior inspector for the state meat inspection program of the Department of Agriculture. I am here to testify in support of Senate Bill 2220.

The state meat inspection program was created by the 1999 Legislature in order to allow small and medium meat processors and livestock producers a better opportunity to market their product. When the state adopted an inspection program we had the option to include red meat, poultry or both. At the time, the demand for inspection service was strong for red meat products but did not seem to exist for poultry and was, therefore, not included in the program. However, this has changed in the last four years and there now is a demand for inspection service for poultry.

The state meat inspection program offers most of the advantages of federal inspection but is specially designed to help small businesses. The state program is able to assist smaller businesses more effectively and efficiently then the federal system which caters almost exclusively to large

packing and processing plants. State inspectors are perceived as easier to work with because they help the companies meet and operate within the regulations. The North Dakota program was approved of by USDA and implemented in October, 2000. Within this time the program has been instrun[illegible]l in the development of ten official state establishments or "state inspected" plants. This classification allows meat processors to wholesale local products throughout the state and provides more "user-friendly" outlets for producers to direct market their brand name products.

Senate bill 2220 creates additional opportunities for existing meat processors and provides new business opportunities. Out of our ten official establishments, three have already indicated the desire to process poultry products. I have included copies of their letters that request the state provide inspection for poultry. Poultry inspection service will also provide new businesses an opportunity to create new markets for state-inspected poultry products.

The addition of poultry to the inspection program will incur minimal costs. These amounts are included in the fiscal note for the bill. The costs include training staff on all relevant regulations and inspection techniques and the additional time and travel for inspection of three existing custom exempt poultry plants.

Mr. Chairman and committee members after consultation with our attorney we feel parts of the existing law need to be clarified. Specifically the definition of "Poultry" had the word domesticated added in order to not impose any undo regulations on outfitters or any other individuals who clean or process any wild game taken while hunting. The second amendment

deals with clarifying federal law regarding the custom slaughter of poultry at establishments that also sells poultry through their retail area.

Mr. Chairman and committee members, I urge a do pass on Senate Bill 2220. If you have any questions, I would be happy to answer them.

Thank you.

Roger Johnson
Agriculture Commissioner
www.agdepartment.com

North Dakota
Department of
Agriculture

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

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

30411.____
Title.0200

Adopted by the House Agriculture Committee
March ___, 2003

PROPOSED AMENDMENTS TO SENATE BILL NO. 2220

Page 2, line 22, "after includes" insert "domesticated"

Page 3, after line 2, insert

"4. The provisions of this chapter requiring inspection of the preparation of poultry carcasses and parts thereof, and poultry and poultry food products at establishments conducting such operations do not apply to any retail dealer with respect to poultry products sold in commerce directly to consumers in an individual retail store, provided that such retail dealer does not engage in the business of custom slaughter, and provided further that the poultry products sold in commerce are derived from poultry inspected and passed and are identified as inspected and passed by the commissioner or the United States department of agriculture."

RE: Senate Bill 2220

My name is Larry Coon. I own and operate the Edgeley Meat Processing Plant in SE North Dakota. Edgeley is a town of approximately 650 people.

Because of the State Meat Inspection Program approved at the last legislative session, I remodeled my facility to meet the requirements of the State Meat Inspection Plan and became the 3rd State inspected facility in North Dakota. As a result of this expansion, I employ an additional full time employee and two additional part time employees.

$90,000

At my business, we make various meat products using beef and pork and sell the products in North Dakota. I currently have meat products in 12 businesses located in 8 towns.

Redo plant with truck

I'm here today, to request the addition of poultry to the program. With the addition of poultry, this would further enhance our opportunities as well as help the poultry producers in North Dakota. Right now, I purchase inspected poultry (such as turkey), smoke them and the product can only be sold at my store in Edgeley. I would like to make this product available wherever our products are sold.

I feel adding poultry to the existing program would not only enhance the program, it would provide opportunities for poultry producers.

I request that you please consider adding poultry to the State Meat Inspection Program.

Thank you.