

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2109

2001 SENATE AGRICULTURE

SB 2109

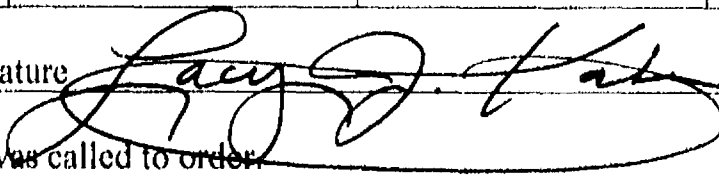
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2109

Senate Agriculture Committee

Conference Committee

Hearing Date January 19, 2001

Tape Number	Side A	Side B	Meter #
Jan. 19 1	X		29.4 - End
		X	0.0 - 2.0
Jan. 25 3	X		48.1 - End
Feb. 2 1		X	32.0 - End
Feb. 8 2	X		11.2 - 25.4
Committee Clerk Signature 			

Minutes: The hearing was called to order.

January 19, 2001

DR. ANDREA GRONDAHL; State Meat Inspector for the Dept. Of Agriculture, testified in support of this bill. See attached testimony.

SENATOR WANZEK, Are there plants operating by these rules and regulations now?

DR. GRONDAHL, There are about 100 custom exempt plants that are operating under the Department of Agriculture rule and regulations.

SENATOR KLEIN, Have we created more flexibility in inspections since 1999?

DR. GRONDAHL, Yes, we have adopted the federal regulations and are running the same regulations, but there are a lot of interpretations reading the regulations.

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SENATOR KLEIN; As of October the plants were federal with a federal inspector, are we now state inspecting the plant? Are we requiring the inspector or the plant owner to have continued education?

DR. GRONDAHL; We are asking that the plant owners have the continuing education. We are providing a better service and information than the federal inspectors, we are inspecting the plants 4 times per year

SENATOR WANZEK; What safeguards are there to prevent the interpretation of the policies from narrowing?

DR. GRONDAHL; We all have food safety in mind and the interpretation comes from working with the facilities that are in existence.

SENATOR ERBELE, Can plants in North Dakota sell products out of state?

DR. GRONDAHL, Currently only beef, swine, sheep and goats have to be sold within the state, but buffalo, elk and such products can be sold out of state.

SENATOR KLEIN, Are inspector going to shut down plants instead of pointing out problems?

DR. GRONDAHL, We are not trying to shut down plants, we are here to educate and time is allowed to make changes as long as it is not an immediate food hazard.

SENATOR NICHOLS; Do plant that sell meat do they always have a veterinarian present during slaughter, because some of the small plants don't slaughter everyday?

DR. GROHDAHL; There is not a veterinarian on hand but what is required is that a veterinarian be available for supervision and for animal that is thought to be a suspect. Custom' exempt plant are only inspected 4 times per year, all the animals are not inspected prior to slaughter.

SENATOR URLACHER; The state inspection has to meet the federal inspection guidelines.

You mentioned that you are building in some flexibility interpretation on the state level, that may be in conflict with the interpretation with the federal inspection. Do the federal inspector come in occasionally to see that their guidelines are being met by the state inspections?

DR. GRONDAHL; Yes, we do get federal reviews. We have our first review within 1 year and then every 5 years.

SENATOR URLACHER; How many inspectors does North Dakota have?

DR. GRONDAHL; There are three inspectors in the state, one in Bismarck, Dickinson and Fargo. We also have the authority now to hire 2 additional inspectors in the state.

SENATOR KROEPLIN; When a plant is federally inspected is there a veterinarian present, when an animal is slaughtered?

DR. GRONDAHL; No, a veterinarian is called in if there is a suspect animal.

SENATOR KROEPLIN; Is there a federal inspector present at a plant when slaughtering is being done?

DR. GRONDAHL; There is a federal inspector present during slaughter, who is not a veterinarian.

SENATOR KROEPLIN; In the state program is there a state inspector there?

DR. GRONDAHL; No, there are 2 categories. There's the custom exempt plants and the official establishments, the official establishments can be either federal or state establishments and need an inspector present, the custom exempt plants they are exempt for most of the regulations and don't need an inspector present during slaughter either with the federal or state system.

SENATOR KROEPLIN; If a plant is going to slaughter an animal and sell it to the public, then there would be a state inspector present?

DR. GRONDAHL; Yes.

SENATOR WANZEK; Do most plants slaughter on a certain days?

DR. GRONDAHL; Slaughtering is usually set up for one day of the week and then 1 to 2 days a week for processing.

SENATOR WANZEK; Does an inspector have to be present during processing?

DR. GRONDAHL; An inspector needs to be present only one time on the day of processing.

SENATOR WANZEK; What are the advantages of state inspections?

DR. GRONDAHL; There are two big advantages, one is the nontraditional or wild game livestock producers, if they take these animals to a federal inspector they will have to pay a fee which is approximately \$36 per hour. The second advantage of state meat inspection is we are enabling the smaller processor to become state inspected. Most of the plant that are going to become state inspected are the existing custom exempt facilities.

SENATOR KLEIN; Has there been a fee for the state inspections in the past? Does this affect grocery stores?

DR. GRONDAHL; There are grocery store that have slaughtering establishment, if they do any custom slaughtering they will be inspected by the Department of Agriculture and the Health Department. The custom exempt plant have not been licensed or charged any fees unless they have a retail shelf.

SENATOR WANZEK; How can you be assured that the continuing education is going to be effective?

DR. GRONDAHL; Plant owners don't have the information available to them and they would at these seminars and would be eager to hear the new information that is out there.

SENATOR WANZEK; Is this possible to accomplish without requiring it?

DR. GRONDAHL; By making it a requirement we would get more of them involved.

SENATOR ERBELE; Plants that are strictly under state inspection and there is an E-coli outbreak, can it be traced to the specific plant or would it shut down every plant in the state?

DR. GRONDAHL; We do have all the products that need to be labeled, they need to be labeled with plant name and/or number. In order to trace product back to original plant.

SENATOR KROEPLIN; Instead of going out to a plant and pointing out a problem, you can tell them what you are looking for and they can go to the plant and try to prevent problems?

DR. GRONDAHL; I envision two different things. One is to educate them and to prevent problems before they occur.

KENAN BOLLINGER; Director, Food and Lodging Division - ND Dept. Health, testified in support of this bill. See attached testimony.

SENATOR WANZEK; Does Section 23-09-02 only repeal the law that says that you are the only agency, it still allows you to inspect in other areas that you have jurisdiction over.

KENAN BOLLINGER; That is correct, it retains our authority over all facilities that are listed in 23-09-02. This doesn't prohibit other state agencies for getting involved in retail work.

DR. KEITH DEHAN; State Meat Inspection Committee Member, testified in support of this bill. The approval of this bill will provide momentum for their state. This is exciting for the state and for the processors in the state and I hope to see a lot of growth and application of their services to more processors within the state.

BOB BENNETT; Attorney Generals Office, Express his concerns of this bill.

January 25, 2001

Discussion was held.

✓ 25-01

SENATOR KLEIN; The state meat inspection is continuing to inspect the grocery stores even if they are not slaughtering.

SENATOR NICHOLS; I thought that this would be the way to be get the Health Dept. out of that process entirely.

SENATOR WANZEK; Wasn't the intent to try and provide efficiency and uniformity and clean it up so we don't have a duplication of inspectors showing up?

SENATOR WANZEK; I think that we should form a subcommittee to spend a little more time and work with Dr. Grondahl for the Ag. Dept.

SENATOR NICHOLS; I have in my note that Kenan Bollinger of the Dept. of Health said that we need to amend this by repealing 23-09-02.

SENATOR KLEIN; According to Kenan Bollinger's testimony the duplication of efforts comes into play when a custom exempt facility also has a retail counter. They are suggesting that those facilities be licensed and inspected by the state Ag. Department avoid the two licenses and inspecting agencies.

SENATOR WANZEK; If we repeal that section they wouldn't be inspecting grocery stores where there is no slaughter?

SENATOR KLEIN; The State Health Dept. will continue to inspect grocery store and the Agriculture Dept. would stay with the meat business.

A subcommittee was set up. Senator Wanzek appointed Senator Klein, Senator Erbele and Senator Nichols.

February 2, 2001

Discussion was held.

2-2-01

SENATOR KLEIN; State meat inspection has added a lot of conditions that we're not anticipating out there. By adopting this and nearly mirroring the federal meat inspection sounds like there is going to be some issues.

SENATOR NICHOLS; The Ag. Dept. Was concerned that they keep the ability to license.

SENATOR WANZEK; I thought the intent of this was to make this more friendly so we could give our producers an opportunity to retail their meat to people within the state.

SENATOR URLACHER; We've always had to meet the federal requirements, I think the friendliness comes in to the flexibility in plant where small operator do not need some of the thing the larger plants do.

SENATOR KROEPLIN; We could take the fees out but they do need to license.

SENATOR WANZEK; To operate in state you still have to be certified. We have to amend Section 4, there are some real problems.

SENATOR URLACHER; I feel that they had to charge some fee for a license to track meat, they said that they can track paper. I agree that they stop the operation by just cause.

SENATOR WANZEK; If this bill passes it should have some provision that increases the penalty.

February 8, 2001

Discussion was held.

SENATOR ERBELE; I believe that there is some discomfort with the original bill. We feel that with this bill we don't have to extend any further powers at this point.

SENATOR ERBELE moved to DO NOT PASS this bill.

SENATOR KLEIN seconded the motion.

Discussion was held on the motion to DO NOT PASS.

2-8-01

SENATOR KLEIN; Meat inspection rules are in place. There are three sections of the law, the initial is the continuing education requirement, which the subcommittee didn't feel comfortable with. The second is the license fee, which the subcommittee also didn't feel comfortable with. The third issue is the general penalty and that also asked for a major revision by the Attorney Generals Office. Since we didn't care for Section 4 either, there was nothing felt.

SENATOR URLACHER; Will we have a state meat inspection at all?

SENATOR KLEIN; This doesn't change anything.

SENATOR NICHOLS; I do know that the Agriculture Department did feel that they wanted to hold on to the licensing part even if they didn't charge anything. I don't know why that would be a problem if they are already certified.

SENATOR WANZEK; Our state meat inspection is in effect and operation and have been approved by the Food Safety Inspection Service with the USDA, but these we provisions that were going beyond our requirements.

SENATOR URLACHER; Can they put in administrative rules?

SENATOR KLEIN; They can propose administrative rules which need to be run through the committee after proper hearings, publication and notice. So that people that represent a particular industry have an opportunity to come in and testify to rules.

Roll call vote: 4 Yeas, 2 No, 0 Absent and Not voting.

SENATOR KLEIN will carry the bill.

FISCAL NOTE
 Requested by Legislative Council
 12/26/2000

Bill/Resolution No.: SB 2109

Amendment to:

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$12,000	\$0	\$12,000	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 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.*

The original meat inspection bill did not address license fees for inspected official and custom plants. This measure will require a license fee for custom exempt plants and official state plants to offset some of the costs of the inspections.

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.*

The state presently has 98 custom plants that would be required to be licensed at \$50 per year. Total revenue from custom plants for the biennium is estimated at \$9,800. The Department of Agriculture estimates that there should be 11 official state plants at \$100 license fee per year for total revenue of \$2,200 per year.

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.*

None. The Department of Agriculture is already required to do these inspections as part of the program.

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.*

None. The Department of Agriculture is presently doing the inspections and the appropriation request is in the Ag Commissioner's appropriation bill, HB1009.

Name:	Jeff Welspfenning	Agency:	Agriculture
Phone Number:	328-4758	Date Prepared:	01/03/2001

