

## **MINUTES**

### **MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION**

**Call to Order:** By Senator Greg Jergeson, on February 18, 1991,  
at 3:00 P.M.

#### **ROLL CALL**

**Members Present:**

Greg Jergeson, Chairman (D)  
Francis Koehnke, Vice Chairman (D)  
Gary Aklestad (R)  
Thomas Beck (R)  
Betty Bruski (D)  
Gerry Devlin (R)  
Jack Rea (D)  
Bernie Swift (R)  
Bob Williams (D)

**Members Excused:** None

**Staff Present:** Doug Sternberg (Legislative Council).

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Announcements/Discussion:** None

#### **HEARING ON SENATE BILL 338**

##### **Presentation and Opening Statement by Sponsor:**

Senator Jim Burnett, District 42, advised that the intent of SB 338 is not to eliminate the meat inspection program in Montana, but to eliminate the duplication of meat inspection for commercial use. He stated when the meat inspection program was re-established in Montana in 1987, it set up a chief meat inspector to set the rules for both the inspection of the processing facility and meat inspection. It also removed the State Board of Health's authority except the sections which regulate the cleanliness of the facility handling food. He informed that the entire Montana commercial meat inspection is now under the Department of Livestock for state inspections and the licensing for the slaughter and processing. If the plant is to be in the commercial slaughter and processing of livestock, a meat inspector that is qualified to do post-mortem and anti-mortem examination has to be present at the time of slaughter. According to Senator Burnett, the bill would only affect the ten

plants that are state inspected to do commercial processing. This bill does not eliminate these plants from commercial processing. What it does do is require that the post-mortem, and anti-mortem inspection not be done by money from the General Fund but must come from federal and private sources. He stated it is estimated that the USDA inspection program brings in approximately \$1 million dollars to the state, and takes nothing from the General Fund. The Montana meat inspection program for 1992 will receive \$319,841 from USDA but must be matched by state General Fund money. He believes it is the desire of the USDA to control all commercial slaughter and processing, and the state program to administer all the custom slaughter and processing. Eliminating the commercial processing will not eliminate the requirement of General Fund matching money to continue this inspection of custom processing facility. He concluded by stating that it would appear the state number of FTEs (17) inspecting less than 6,000 head of commercial slaughtered livestock is out of line with the USDA FTEs (34) that inspect more than 700,000 head of commercial slaughter. He furnished his written statement (Exhibit #1).

#### Proponents' Testimony:

GERALD H. STRECKER, Stillwater Packing Company, Columbus, was unable to appear, but Senator Burnett read a letter from Mr. Strecker setting forth his views and support of SB 338 (Exhibit #2).

DICK BOGDEN, owner of Mickey's Packing Plant, Great Falls, and DON MARTIN, owner of Cascade Wholesale Meats, Great Falls, also were unable to testify in person. Senator Burnett read a letter signed by both men which he wished entered in the record (Exhibit #3).

#### Opponents' Testimony:

Representative William Menahan advised that he became involved in this legislation when some problems occurred with the inspection of pasties and other products in his area. He, Rep. Donaldson and others began to do some research, found what the problems were, and went to the local federally inspected meat markets and found that they were disappointed with the "harassment" by federal inspectors. He gave his view of other problems related to the inspections by federal inspectors, and urged that the committee do not pass SB 338.

LES GRAHAM, Department of Livestock, advised that he wished to present a letter from Dennis Iverson, Director of the Department of Health and Environmental Sciences, indicating satisfaction with the present inspection program and which somewhat disputes the testimony given by the sponsor (Exhibit #4). He stated as far as being "equal to", that since the inception of the program they have had two unofficial reviews by the federal inspection people out of the area office in

California and have very favorably passed both reviews. He stated he would be available to answer any questions the committee might have. He also furnished an information sheet from the Department of Livestock (Exhibit #4A).

BOB GILBERT, Montana Wool Growers Association, stated that group is opposed to SB 338. He informed that his association was very supportive of the original legislation by Reps. Donaldson and Menahan adopted in 1987, and it is their opinion that it has added value to meat products in Montana. He submitted his written testimony to the committee members (Exhibit #5).

T. S. LAURENS, President, Montana Meat Processing Association, stated they wished to voice their opposition to SB 338. They feel that if funding is not available from the General Fund for any part of state meat inspection, it will simply go unfunded and be eliminated. He advised that in 1987 Montana became the only state to re-establish state meat inspection after turning it over to USDA. Since then, there are 23 plants involved in commercial processing under state inspection and if they lose it, they have two alternatives: (1) go out of business; or (2) apply to USDA. He stated they have people present who would like to testify on those alternatives.

SENATOR LARRY TVEIT, District 11, stated he wished to go on record as opposing this piece of legislation. He stated he was a proponent of the legislation that is now on the books. He believes that if they shut down the state inspections in order to save some \$300,000, it goes back to the federal standards. The federal standards are much more stringent, and ridiculous in some cases, and the small meat packers will have to go under the guidelines of the feds which will do nothing to improve the quality of meat. Looking at the economic standpoint also, he believes SB 338 should be laid to rest in this committee.

"SKIP" HOYT, co-owner with his father William, Triangle Packing in Choteau, advised that this business began operation in 1965 as a state-inspected plant. In 1972 the state of Montana dropped their inspection program forcing them to apply for federal inspection. After a review of their plant by the federal government, they were given a lengthy list of physical changes that had to be made to qualify for federal inspection. These changes included widening doorways, moving walls, and raising ceilings, just to name a few. Added to these numerous physical changes all labels were subjected to approval processes; all packaging material had to be discarded and replaced with those that were federally approved. After 19 years and thousands of dollars, this process is still not complete. By discontinuing the funding for state meat inspection, over 200 businesses would be jeopardized, many of which may not be able to go through the lengthy and costly process just described.

WALT DOLSON, operator of Roberts Packing in Dillon, a state-inspected plant, was unable to attend the hearing, but his statement was read to the committee by Mr. Hoyt (Exhibit #6).

BILL HARRELL, owner of the 4th Avenue Meat Market in Billings, stated his is a state inspected plant. He read and submitted his written testimony (Exhibit #7), and stated he opposed SB 338.

TIM HINTZE, owner and operator of Montana Meats in Sidney, advised that he has a custom exempt processing plant, and is the only processor in a 70 mile radius. He stated he provides a valuable service to his community. He now has an application pending with the state so that he can become a state inspected processor. Going to state inspection, a remodel of his plant will cost approximately \$20,000; going under federal inspection, it would cost approximately \$91,000. He added he was given an award for making the best bacon in the state of Montana. He indicated he wanted to market his bacon, but without state inspection he would be unable to do so.

MIKE MCGINLEY, owner of Beaverhead Meats in Dillon, advised that he has spent considerable time and money on plans to upgrade his business to come under state inspection because he has seen how well state inspection has worked. He read and submitted his written testimony to the committee (Exhibit #8).

LaVOY JOHNSON, Snowy Mountain Meat, Lewistown, stated he currently has an application in for state inspection. He is currently under the federal program and has been since 1972. He does not have a problem with inspection, but he believes the state can do a better job. The state already has brand inspectors and county sanitarians to work with. He advised that since he does custom work and has a retail sales counter, he has been told by USDA on two occasions that he does not belong in their program. He has yet to find the right man in Washington, D.C. to solve a problem; he likes coming to Helena to straighten things out. He concluded by stating he would feel much more secure under a good state program than he does under USDA.

LUCKY SEIBERT, owner of a federally inspected facility, stated the Legislature resurrected the State Meat Inspection program without encouragement from the meat industry of Montana. However, since its inception, demand has increased to a point that the service has had a waiting list for acceptance into it, according to Mr. Seibert. He furnished further testimony which he read to the committee (Exhibit #9).

DUANE G. BROATER, Past president, Montana Pork Producers Council, wrote a letter in support of the state meat inspection program, which letter was read to the committee by T. S. Laurens (Exhibit #10).

KIM ENKERUD, representing the Montana Stock Growers and the Montana Cattle Women, stated they would like to go on record in opposition to SB 338. She read and furnished her written testimony to the committee (Exhibit #11).

Questions From Committee Members:

Senator Beck commented that there appears to be a lot of opposition to SB 338. He asked Senator Burnett if the main purpose of the bill was to save money.

Senator Burnett stated he is not interested in building a higher bureaucracy, but he believes there is duplication that can be eliminated.

Senator Beck made reference to the fiscal note which indicated that federal law allows up to 50% federal funding for this. He asked if this money is matched with federal money to make this program viable.

Les Graham answered affirmatively, adding that in addition the federal government funds some administrative costs. He indicated that money would be lost if this program was discontinued.

In response to a question by Senator Devlin, Mr. Graham advised that federal law prohibits use of user fees at this time. There is a question of whether or not they will allow matching funds to be used with user fees.

Senator Jergeson said it was his impression from testimony today that the packing plants like the state inspection. He stated it was his understanding that state inspection is just for meat sold within the boundaries of Montana. He asked if there is any movement towards the feds allowing the state to inspect meat destined for interstate shipment. Mr. Graham advised there is a strong movement in that direction. He said the National Association of State Meat Inspectors has met regularly and has put a tremendous amount of pressure on the federal government because the state has to pass reviews to show that it is "equal to". The question is now being asked why foreign countries can come in, when states with state inspection do not get the same treatment.

Senator Rea asked Mr. Hintze to clarify what he meant by being exempt from inspection and now he is applying for state inspection. Mr. Hintze stated he operates under a custom exempt status in which case he does not buy and sell livestock. Under this law they are hired to perform service - the customer kills the meat, brings it to them for processing, and the meat is returned to the customer. They do not sell it to someone else. State inspected products can be turned into something else, ie sausage, bacon, etc., and these in turn can be sold to the public. They cannot wholesale it to supermarkets. The reason he

would like to go state inspection is to further process products so that he can buy state inspected pigs, make hams and bacon, and in turn sell them to supermarket chains.

In answer to another question by Senator Rea, Mr. Hintze stated that the state inspectors come by on a quarterly basis, and they also deal with the county sanitarian on a regular basis. He added that he sells to the public on a one on one basis.

Mr. Graham advised as a point of information that on bison there is an exemption in the federal law that would allow state inspectors to inspect bison and then the bison could go across state line. That is not the case with beef and other products.

Closing by Sponsor:

Senator Burnett stated that in his six terms as a House member and as a Senator he has tried to hold down bureaucracy and state expenditures. He questioned whether the state can continue to do state meat inspection when there is USDA inspection, and he believes the duplication should be eliminated. He furnished a fact sheet showing 1990 Montana State Inspection Totals (Exhibit #12).

EXECUTIVE ACTION ON SENATE BILL 338

Recommendation and Vote:

Senator Williams made a motion that Senate Bill 338 DO NOT PASS. In favor - 9; opposed - 0. MOTION CARRIED.

EXECUTIVE ACTION ON SENATE BILL 185

Discussion:

While the committee waited for Senator Yellowtail, sponsor of SB 185, to arrive, the members engaged in dialogue regarding leachability of chemicals and other points of issue regarding SB 185. They reviewed copies of RAVE: Relative Aquifer Vulnerability Evaluation, a leaflet developed by the Environmental Management Division of the Montana Department of Agriculture.

Senator Yellowtail advised that the fiscal note on SB 185 indicates that the cost is relatively minor. The other concern was that this bill might cause some change in the availability of

agriculture chemicals. He stated he did not believe that is a problem. He summarized the bill as being a tool to obtain information from EPA and make it locally available.

Chairman Jergeson asked Jim Barngrover if his member farmers have had difficulty obtaining information from EPA through the Freedom of Information Act, and how this bill would accelerate the process of getting that information. Mr. Barngrover advised that he is not aware of any one who has gone through EPA, and he pointed out that he believes not many are aware that it is even available through EPA. He stated the Department of Agriculture would be a logical choice to go to for information.

Referring to RAVE, he stated his concern is that it just gives a rough idea how to evaluate between chemicals to determine the less leachable, and this leaflet would not answer the question. There would be a need for supplementary information on the particular chemicals in order for the applicator to make a wise decision.

Senator Williams asked Senator Yellowtail if any incident was brought to his attention that precipitated the preparation of this bill. Senator Yellowtail advised that the bill was a result of the work of the Environmental Quality Council. They took a broad look at ground water and contamination. A panel discussion, including farmers, was held and the bill was the end result.

Senator Rea asked if the manufacturer can be required to put such information on the product packaging. It was Senator Yellowtail's belief that the information they are concerned with is much more detailed than could be put on a label or can.

Senator Koehnke added that if the information was not on the container, the dealer from whom you bought the product could contact the company and they would provide it.

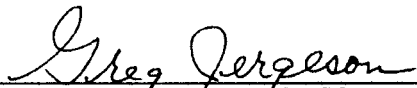
Senator Swift stated that variables in ground water depth, soil texture, etc. determine the leachability of a chemical and that information is more important than knowing the leachability of a particular chemical. Senator Yellowtail acknowledged that might be correct, but he believes availability of good information would make a difference in a person's choice of chemical appropriate to each situation.


#### Recommendation and Vote:

Senator Devlin made a motion that SB 185 BE TABLED. Those in favor - 8; opposed - 1 (Jergeson). MOTION CARRIED.

ADJOURNMENT

Adjournment At: 5:00 P.M.

  
\_\_\_\_\_  
GREG JERGESON, Chairman

  
\_\_\_\_\_  
DOROTHY QUINN, Secretary

GJ/dq



ROLL CALL  
AGRICULTURE COMMITTEE

DATE 2/18/91

52nd  
LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SEN. JERGESON	X		
SEN. KOEHNKE	X		
SEN. AKLESTAD	X		
SEN. BECK	X		
SEN. BRUSKI	X		
SEN. DEVLIN	X		
SEN. REA	X		
SEN. SWIFT	X		
SEN. WILLIAMS	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
February 12, 1991

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation having had under consideration Senate Bill No. 338 (first reading copy - white), respectfully report that Senate Bill No. 338 do not pass.

Signed: \_\_\_\_\_

*Greg Jergeson*  
Greg Jergeson, Chairman

*Jan 2-12-91*  
And. Coord.

*2-2-91 11:00*  
Sec. of Senate

SENATE AGRICULTURE

EXHIBIT NO. #1

DATE 2/18/91

BILL NO. SB 338

MEMORANDUM

TO:

FROM: Senator James H. "Jim" Burnett  
Senate District 42

DATE: February 18, 1991

The intent of Senate Bill 338 is not to eliminate the meat inspection program in Montana, but to eliminate the duplication of meat inspection for commercial use.

When the meat inspection program was reestablished in Montana in 1987, it set up a chief meat inspector to set the rules for both the inspection of the processing facility and meat inspection.

It also removed the State Board of Health's authority except under 50-50-301 and 50-50-301 which regulates the cleanliness of the facility handling food.

The entire Montana commercial meat inspection is now under the Department of Livestock for state inspections and the licensing for the slaughter and processing. If the plant is to be in the commercial slaughter and processing of livestock, a meat inspector that is qualified to do post-mortem and anti-mortem examination has to be present at the time of slaughter.

It is my understanding that the state is or has adopted the federal meat inspections regulations 21 USC 601 through 695 on livestock. The bill would only effect the ten plants that are

Page Two  
February 18, 1991

state inspected to do commercial processing. This bill does not eliminate these plans from commercial processing. What it does do is require that the post-mortem, and anti-mortem inspection not be done by money from the general fund but must come from federal and private sources.

My discussion with the USDA Regional Manager in regard to the commercial meat inspection indicated it is their desire to control all commercial slaughter and processing and believe the state program is to administer all the custom slaughter and processing. USDA inspected plant handled 728,498 head of livestock in Montana in 1990 through: 18 slaughter and processing plants, 1 slaughter plant, and 28 processing plants.

Montana inspected plants handled 5,526 head of livestock through two plants for commercial use that required meat inspectors.

The custom slaughter and processing plants handled ~~160,377~~<sup>16,322</sup> head of livestock that required no meat inspectors. For the 47 USDA plants, there are 34 meat inspectors and an overall of 15,500 head of livestock per inspector.

It is estimated that the USDA inspection program bring in the neighborhood of \$1,000,000 to the state and take \$0.00 from the general fund. The Montana meat inspection program for 1992 will

Page Three  
February 18, 1991

receive \$319,841 from USDA but must be matched by State General fund money \$318,840. In 1993 USDA will give \$317,635 to be matched by the general fund money of \$317,636.

Eliminating the Commercial processing will not eliminate the requirement of general fund matching money to continue this inspection of custom processing facility. What that amounts to, I do not know. What I do know, is the Montana Meat Inspection Program will cost the general fund less.

It would appear that the state number of FTE's (17) inspecting less than 6,000 head of commercial slaughtered livestock is out of line with the USDA FTE's of (34) that inspect more than 700,000 head of commercial slaughter.

JHB/fdh

# STILLWATER PACKING COMPANY

R.R.1 Box 197  
COLUMBUS, MONTANA 59019  
Phone (406)-322-5666

February 8, 1991

Senator James Burnett  
Box 20  
State Capitol  
Helena, Mt. 59620

EXHIBIT NO. #2  
DATE 2/18/91  
BILL NO. SB 338

Dear Jim:

As always, the phone conversation with you on February 4 was a pleasure. I want to bring to your attention all my thoughts concerning the State of Montana getting into the meat inspection business.

As owner and operator of Establishment 6271, Columbus, Montana, I can see no reason to have the State of Montana getting into the administrating its own meat inspection program. In April, 1971 Montana got out of the meat inspection program and U.S.D.A. took over. The reason for the State getting out, was that it could no longer afford it. That reason still exists today.

I was told by U.S.D.A. area management that whenever the U.S.D.A. budget is cut, the same percentage is cut from the Montana program subsidy. So, eventually, the State could end up dumping the State program again. In July, 1988 the State of Montana took all custom exempt plants in the State over from U.S.D.A. Before this date the U.S.D.A. was inspecting all plants, custom exempt and U.S.D.A. inspected, with out any cost to the State and the people of Montana.

As you have told me on several occasions, there are "producers" and "non-producers" referring to people, but this also refers to programs. U.S.D.A. program - no cost - produces revenue for the State and takes no money out of the State budget. State inspection - "non-producers"-takes money out of the State budget that can be spent on more important programs already existing in the State.

Senator James Burnett

Having U.S.D.A. here at Stillwater Packing Co., Est. 6271, cost me no money, if all slaughtering and processing is done within the 40 hour work week. If you do go overtime, you must pay that cost.

Prior to July, 1988 I was paying no money for meat inspection. Now, I am still not paying for U.S.D.A. inspection; but, now some of my Montana taxes are going to pay for State inspection.

I know that this letter gives you little help in your fight to eliminate useless and inefficient programs. If I can help in anyway, please call.

Sincerely,



Gerald H. Strecker

SENATOR JIM BURNETT  
STATE CAPITOL  
BOX 20  
HELENA, MT 59601

SENATE AGRICULTURE

EXHIBIT NO. #3

DATE 2/18/91

BILL NO. SB 338

FEBRUARY 13, 1991

DEAR SENATOR,

WE ARE WRITING THIS LETTER IN REGARDS TO THE FUNDING OF THE MONTANA MEAT INSPECTION PROGRAM.

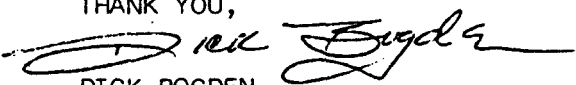
FIRST AS MONTANA TAXPAYERS, WE DO NOT BELIEVE OUR STATE HAS THE EXTRA MONEY TO SPEND ON A ILL-CONCEIVED, FRATERNIZED, LOOP HOLED NEW BUREACRACY, THAT IS A SECOND RATE SERVICE WHILE WE HAVE A FEDERAL PROGRAM IN PLACE.

SECONDLY, AS PLANT OPERATORS, WE HAVE WATCHED WITH CHAGRIN THE POORLY TRAINED, UNPROFESSIONAL BEHAVIOR OF THE STATE INSPECTORS AND THEIR OUTLANDISH ACTIONS AS FOLLOWS.

1. SPRING OF 1990 TWO INSPECTORS ON A STAKE OUT WATCHING A RETAIL MARKET FOR FOUR TO FIVE HOURS TO SEE IF THEY COULD CATCH HIM DOING WRONG.
2. FALL OF 1990, A LOCAL DAIRYMAN, FARM KILLED TWO BEEF FOR OTHERS AND TOOK THEM TO A STATE PLANT, WERE TAGGED AND SUBSEQUENTLY RELEASED WHEN INFORMED BY BUREAU CHIEF OF HELENA THAT THESE BEEF BELONGED TO THE SON OF THE BOSS.
3. ON SEVERAL OCCATIONS WHILE DELIVERING TO A STATE PLANT OUR DRIVERS ENCOUNTERED STATE INSPECTORS PLAYING CARDS ON THE DESK AND WERE IN THE WAY OF THE OPERATOR WHILE TRYING TO WRITE CHECKS FOR PRODUCT DELIVERY.
4. THE PLANTS THAT WENT TO STATE INSPECTION EITHER WEREN'T ABLE OR DIDN'T WANT TO UPGRADE TO STAY WITH FEDERAL INSPECTION.

THE IDEA OF A STATE PROGRAM WITH FEDERAL MATCHING FUNDS, WAS TO BE "EQUAL TO" OR "BETTER THAN", TURNS OUT TO BE A LOOP HOLE FOR SHODDY PLANTS TO STILL MAINTAIN A LICENSE. ON THIS BASIS OUR STATE COULD USE THE MONEY FOR MORE IMPORTANT NEEDS AND STOP ANOTHER EXPENSIVE, UNNECESSARY, BUREAUCRACY.

THANK YOU,

  
DICK BOGDEN  
OWNER- MICKEY'S PACKING PLANT  
PHONE- 727-7900  
EST. # 7732  
P.O. BOX 223  
GREAT FALLS, MT 59403



DON MARTIN  
OWNER- CASCADE WHOLESALE MEATS  
PHONE- 452-8513  
EST. # 7650  
2400 9th AVE. SO.  
GREAT FALLS, MT 59405



DEPARTMENT OF  
HEALTH AND ENVIRONMENTAL SCIENCES



STAN STEPHENS, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

FAX # (406) 444-2606

HELENA, MONTANA 59620

February 14, 1991

SENATE AGRICULTURE

EXHIBIT NO. #4

DATE 2/18/91

BILL NO. SB 338

Mr. Les Graham, Executive Secretary  
Board of Livestock  
Department of Livestock  
Ag-Livestock Building  
Helena, MT 59620

Re: Senate Bill 338

Dear Mr. Graham: *Les*

The Department of Health and Environmental Sciences is satisfied with the present Department of Livestock meat and poultry inspection program which eliminates the severe and serious controversies that previously existed between our agencies and with the federal meat and poultry inspection program.

Since the inception of the current program, your agency has been more responsive to questions and consumer needs requiring immediate agency action. The present inspection program eliminates "red tape" and "loop holes" that allowed or couldn't control many customer concerns. We do not receive the numbers of customer complaints on meat and poultry products, facilities and services that we did previously.

The inspection user fee system currently proposed for the Department of Livestock has not worked for the USDA. Corruption and lack of enforcement was the result of the USDA Meat Inspection Service user fee system. They have discontinued that type of inspection program.

If you have any questions, please do not hesitate to contact this Department.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dennis Iverson".

Dennis Iverson, Director  
Department of Health & Env. Sciences  
Cogswell Building  
Helena, MT 59620

DI/CC/vdt-2xt

# DEPARTMENT OF LIVESTOCK



STAN STEPHENS, GOVERNOR

CAPITOL STATION

## STATE OF MONTANA

BRANDS ENFORCEMENT DIV. 406-444-2045  
ANIMAL HEALTH DIV. 406-444-2043  
BOARD OF LIVESTOCK - CENTRALIZED SERVICES 406-444-2023  
MEAT, MILK & EGG INSPECTION DIV. 406-444-5202

HELENA, MONTANA 59620

February 15, 1991

Les Graham, Executive Secretary  
to the Board of Livestock

SUBJECT: Senate Bill #338

SENATE AGRICULTURE  
EXHIBIT NO. #4A  
DATE 2/18/91  
BILL NO. SB 338

The legislation for the State Meat Inspection program was initiated by the 1987 legislature.

This bill would essentially place "user fees" on plants presently under State Inspection. This would impact twenty-eight (28) official State plants that slaughter and/or process under daily inspection. It would also impact one hundred fifty-one (151) Custom Exempt meat processors and twenty-six (26) Custom Exempt poultry establishments.

Meat and Poultry Inspection is mandated by Federal law. Federal law mandates that State Inspection must be "equal to" Federal Inspection. There are presently twenty-seven (27) states that maintain State Meat and Poultry Inspection programs that are "equal to" the Federal inspection program.

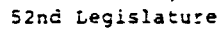
The meat and poultry industry, nation wide, has consistently opposed the general concept of "user fees". The inspection programs are mandated by Congress for the protection of American public health. Mandatory inspection is not necessarily a benefit for the industry, it is a benefit for the public. Therefore, the public should continue to fund inspection as they have for almost one hundred (100) years.

In addition to this general opposition, the industry opposes "user fees" because it further discriminates against smaller meat and poultry processors.

The 1987 legislation was passed to help keep small meat and poultry slaughter/processors in business. It was felt the State could respond to the small business' problems and concerns in a more responsive way than the Federal Inspection System. It helps keep small establishments in business, maintains tax base in communities, preserves and creates employment and adds value to locally produced livestock which can be slaughtered, processed, and mandated directly into the retail and wholesale trade. Our feedback from the State inspected establishments indicates that it has done all of the above and they are satisfied with the State Inspection program that the 1987 legislature created.

Call Montana Livestock Crimestoppers 800-647-7464

EEM:co



LC 1467/01

1 *Senate* BILL NO. *338*  
2 INTRODUCED BY *P. B. RAY*  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT FUNDING  
5 FOR THE STATE MEAT INSPECTION PROGRAM MUST COME ONLY FROM  
6 FEDERAL OR PRIVATE SOURCES AND NOT FROM STATE FUNDS."  
7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
9 NEW SECTION. Section 1. Meat inspection program  
10 funding. The state meat inspection program established in  
11 81-9-216 through 81-9-220 and 81-9-226 through 81-9-236 may  
12 be funded only through federal or private sources. The  
13 department may not expend any state funds for the program.  
14 NEW SECTION. Section 2. Codification instruction.  
15 [Section 1] is intended to be codified as an integral part  
16 of Title 81, chapter 9, part 2, and the provisions of Title  
17 81, chapter 9, part 2, apply to [section 1].

-End-

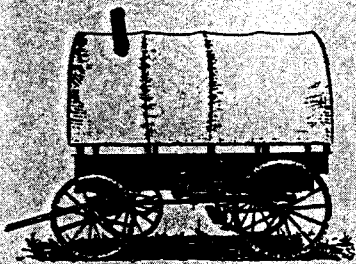
QUESTION:

What do they mean by "private sources"?

Scheduled for hearing  
Senate Ag. Committee  
3 pm Monday Feb 18, 1999

INTRODUCED BILL  
SB 338





# MONTANA WOOL GROWERS ASSOCIATION

P.O. Box 1693  
Helena, Montana 59624  
Phone: (406) 442-1330

FAX: (406) 449-8606  
UPS Delivery: 7 Edwards Street

SENATE AGRICULTURE COMMITTEE  
SB 338, SEN. JIM BURNETT

SENATE AGRICULTURE  
EXHIBIT NO. 5  
DATE 2/18/91  
BILL NO. SB 338  
2-18,1991

I am Bob Gilbert, secretary for the Montana Wool Growers Association.

We oppose SB 338, which would do away with the state meat inspection program. Our association supported the implementing of a state meat inspection program in 1987 as it was presented by Representative Gene Donaldson. The program is designed to help keep small meat processors --custom slaughter houses-- in business. The program was designed to keep these businesses on the tax rolls and provide jobs locally.

By having these local businesses, Montana livestock producers are able to add value to their product and offer locally grown meats to consumers. These local businesses were being forced out of business by federal bureaucracy and attitude. These businesses then and now say federal inspectors are not responsive to the small facility and in some cases are rude and uncooperative.

It is important to note that the state inspection system does not in any way alter the guidelines for a sanitary plant, nor alter labeling instructions. The public's health is well protected by this state inspection system administered by the Montana Department of Livestock.

SENATE AGRICULTURE

EXHIBIT NO. #6

DATE 2/18/91

BILL NO. SB 338

Walt Dolson

Roberts Packing

Dillon, MT

My name is Walt Dolson. I operate Roberts Packing in Dillon, MT. We are a state inspected plant.

We could not withstand the intense regulatory pressure and cost of being a Federal plant. Using Montana livestock we are able to produce further processed sausage products that are distributed throughout the state by other States and Federal plants. Without State Inspection we will no longer be able to produce "Made in Montana" products for distribution throughout the state.

February 17, 1991

I am Bill Harrell, owner of the 4th Ave. Meat Market in Billings, Mt., a State inspected plant.

Almost 12 million pounds of local livestock was processed by 218 Montana state inspected plants, and this product remained in Montana.

If we lose a portion of these plants, Montanans will lose the value of Montana-made products. The small producer in Montana will bear a portion of this loss. They will be forced to market their livestock to out-of-state markets. Local producers have the same problems as the rest of us. Many miles, cost of fuel, etc., are going to be costly for the producer in order to market their livestock for a suitable price. Montana cannot afford these losses.

February 17, 1991

SENATE AGRICULTURE

EXHIBIT NO.

#8

DATE

2/18/91

BILL NO.

in Billon. SB 336

I am Mike McGinley, owner of Beaverhead Meats

Seeing how well and effectively this State Inspection Program is working I have spent considerable time and money on plans to upgrade my business to come under State Inspection by June of this year.

These plans will enable me to increase my business of producing Montana products for the Montana consumer. Because of this increase in business, I will be able to add two to three new jobs in my community.

I need and want the State Inspection Program.

February 17, 1991

SENATE AGRICULTURE

EXHIBIT NO. # 9

DATE 2/18/91

BILL NO. SB 338

My name is Lucky Seibert. I own a federally inspected facility.

The Legislature resurrected the State Meat Inspection program without encouragement from the meat industry of Montana.

However, since its inception, demand has increased to a point that the service has had a waiting list for acceptance into it.

I was on that waiting list. Unfortunately, my business situation dictated immediate action. Hence I developed my facility around the Federal bureaucracy and I received U.S.D.A. approval. But only after tremendously increased developmental cost, due to the inherent structure of the Federal system.

Many other facilities may not be able to withstand this financial trauma. The State program does not need dismantling, it needs increased funding and your support.

February 17, 1991



SENATE AGRICULTURE

EXHIBIT NO. #10

DATE 2/18/91

BILL NO. SB 338

February, 17, 1991

TO: Senate Agricultural Committee

FROM: Montana Pork Producers Council

RE: Senate Bill No. 338

We are writing in support of the State Meat Inspection program. This program is important to us in the respect that it has opened up some markets that we didn't have prior to it's conception. In Montana we are faced with the problem of many miles separating us from major packing plants. Anytime we can market our hogs close to home, it helps us in transportation costs as well as helping the local economy. We are confident that the State Inspection program is working to provide the Montana consumer with the freshest and most wholesome product possible. Continued state funding of this program will pay big dividends not only to the local livestock producers, but also to the local economy.

*Quare A. Braster*  
*Immediate Past President*

TESTIMONY BY KIM ENKERUD  
MONTANA STOCKGROWERS ASSOCIATION  
S.B. 338, REVISED MEAT INSPECTION FUNDING  
SENATE AGRICULTURE COMMITTEE  
February 18, 1991

SENATE AGRICULTURE  
EXHIBIT NO. # 11  
DATE 2/18/91  
BILL NO. SB 338

-----

GOOD AFTERNOON MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE.  
MY NAME IS KIM ENKERUD AND I REPRESENT THE MONTANA STOCKGROWERS,  
THE MONTANA WOOL-GROWERS AND THE MONTANA CATTLE WOMEN.

WE WOULD LIKE TO GO ON RECORD IN OPPOSITION TO SENATE BILL  
338. THE STATE MUST CONTINUE TO ASSURE THE CONSUMERS OF MEAT  
PRODUCTS THAT MEAT IS SAFE AND WHOLESOME AND THAT THE PUBLIC  
HEALTH IS PROTECTED. THIS IS BEST ACHIEVED BY MAINTAINING THE  
STATE MEAT INSPECTION PROGRAM. WHEN THE STATE IS ELIMINATED IN  
THE PROCESS, THE ESSENTIAL CHECKS AND BALANCES MAINTAINED BY  
CURRENT LAW ARE OBLITERATED. THIS IS A CLASSIC CASE OF A LAW  
THAT SERVES THE PUBLIC WELL AND SHOULD NOT BE AMENDED.

WE FEEL THAT ELIMINATION OF STATE FUNDING FOR THE MEAT  
INSPECTION PROGRAM WILL ONLY HURT THE LIVESTOCK INDUSTRY, THE  
STATE AND THE CONSUMER.

THEREFORE, WE RESPECTFULLY ASK THIS COMMITTEE FOR A "DO NOT  
PASS" ON S.B. 338. THANK YOU.

1990 MONTANA STATE INSPECTION TOTALS

SLAUGHTER PLANT HEAD COUNT - (10 PLANTS)

Bulls	Cows	Steers	Heifers	Calves	Sheep	Lambs	Swine	Goats	Poultry	Turkeys	Rabbits	Buffalo
348	538	680	386	1	512	85	2,995	6	2,855	10	81	2

5,526

PROCESSING PLANT TOTAL POUNDAGE - (23 PLANTS)

Meat Poultry

2,588,485 lbs. 85,595 lbs.

CUSTOM EXEMPT PLANT HEAD COUNT & TOTAL POUNDAGE - (177 PLANTS)

Beef	Bulls	Cows	Steers	Heifers	Calves	Sheep	Lambs	Swine	Goats	Poultry	Turkeys	Buffalo
5,507	240	630	2,049	785	22	1,328	596	5,208	12	44,306	6,248	5
3,735,089	216,000	321,300	1,434,300	471,000	6,050	80,003	29,900	833,727	360	177,224	112,464	3,750 lbs.

16,347

286,886,59.

NUMBER OF ESTABLISHMENT LICENSES ISSUED

Federal	State	Custom Exempt	Meat Depots
46	28	Meat Poultry 151 26	15

\* BEEF ARE FARM KILL WHERE SEX IS NOT KNOWN.

- \* Beef average weight 678 lbs.
- Bulls average weight 900 lbs.
- Cows average weight 519 lbs.
- Steers average weight 700 lbs.
- Heifers average weight 600 lbs.
- Calves average weight 275 lbs.
- Sheep average weight 60 lbs.
- Lamb average weight 50 lbs.
- Swine average weight 160 lbs.
- Goats average weight 30 lbs.
- Chicken average weight 4 lbs.
- Turkey average weight 18 lbs.
- Buffalo average weight 750 lbs.

COMPLIANCE INVESTIGATIONS

Number of Reviews	Number of Cases Worked
666	55

\* 1988 Wild Game Harvest

Elk	Antelope	Deer	Mountain Sheep	Moose	Mountain Goats
23,362	39,290	100,726	207	595	213

Figures obtained from Department of Fish, Wildlife, & Parks.

A large percent of these wild game carcasses are processed in licensed establishments.

SLAUGHTER PLANT HEAD COUNT CONDEMNED - (10 PLANTS)

Bulls	Cows	Steers	Heifers	Sheep	Swine	TOTAL
3	31	3	2	1	6	46
2,040	16,089	2,100	1,200	60	960	22,449 lbs.

SENATE AGRICULTURE  
EXHIBIT # 12  
DATE: 2/18/91  
Bill No: SB 338

50-50-101. Purpose of regulation. Regulation of establishments defined in 50-50-102 is required to prevent and eliminate conditions and practices which endanger public health.

50-50-102. Definitions. Unless the context requires otherwise, in this chapter the following definitions apply:

(1) "Board" means the board of health and environmental sciences, provided for in 2-15-2104.

(2) "Department" means the department of health and environmental sciences, provided for in Title 2, chapter 15, part 21.

(3) "Establishment" means a food manufacturing establishment, meat market, food service establishment, frozen food plant, commercial food processor, or perishable food dealer.

(4) "Food" means an edible substance, beverage, or ingredient used, intended for use, or for sale for human consumption.

(5) "Food manufacturing establishment" means a commercial establishment and buildings or structures in connection with it used to manufacture or prepare food for sale or human consumption, but does not include milk producers' facilities, milk pasteurization facilities, milk product manufacturing plants, slaughterhouses, or meat packing plants.

(6) "Food service establishment" means a fixed or mobile restaurant, coffee shop, cafeteria, short-order cafe, luncheonette, grille, tearoom, sandwich shop, soda fountain, food store serving food or beverage samples, food or drink vending machine, tavern, bar, cocktail lounge, nightclub, commissary, private organization routinely serving the public, or similar place where food or drink is prepared, served, or provided to the public with or without charge. The term does not include establishments, vendors, or vending machines which sell or serve only packaged nonperishable foods in their unbroken original containers or a private organization serving food only to its members.

(7) "Frozen food plant" means a place used to freeze, process, or store food including facilities used in conjunction with the frozen food plant and a place where individual compartments are offered to the public on a rental or other basis.

(8) "Meat market" means a commercial establishment and building or structures in connection with it used to process, store, or display meat or meat products for sale to the public or for human consumption.

(9) "Nonprofit organization" means any organization qualifying as a tax-exempt organization under 26 U.S.C. 501.

(10) "Perishable food dealer" means a person or commercial establishment which is in the business of purchasing and selling perishable food to the public.

(11) "Person" means a person, partnership, corporation, association, cooperative group, or other entity engaged in operating, owning, or offering services of an establishment.

50-50-103. Department authorized to adopt rules. To protect public health, the department may adopt rules relating to the operation of establishments defined in 50-50-102, including coverage of food, personnel, food equipment and utensils, sanitary facilities and controls, construction and fixtures, and housekeeping.

50-50-104. Cooperative agreements authorized. The department may enter into cooperative agreements with other state agencies and political subdivisions of the state to carry out the provisions of this chapter.

2/15/91

# Agriculture

[illegible]

(Please leave prepared statement with Secretary)

ROLL CALL VOTE

SENATE COMMITTEE

AGRICULTURE

Date: 2/18/91

Bill No. SB 338

Time: 4:25

NAME	YES	NO
SEN. AKLESTAD	X	
SEN. BECK	X	
SEN. BRUSKI	X	
SEN. DEVLIN	X	
SEN. REA	X	
SEN. SWIFT	X	
SEN. WILLIAMS	X	
SEN. KOEHNKE	X	
SEN. JERGESON	X	

D. QUINN

GREG JERGESON

Secretary

Chairman

Motion: Senator Williams made a motion  
that SB338 DO NOT FAVOR  
In Favor - 9  
Opposed - 0. MOTION  
CARRIED.

ROLL CALL VOTE

SENATE COMMITTEE

AGRICULTURE

Date: 2/18/91

Bill No:  
SB 185

Time:  
4:45

NAME	YES	NO
SEN. AKLESTAD	X	
SEN. BECK	X	
SEN. BRUSKI	X	
SEN. DEVLIN	X	
SEN. REA	X	
SEN. SWIFT	X	
SEN. WILLIAMS	X	
SEN. KOEHNKE	X	
SEN. JERGESON		X

D. QUINN

GREG JERGESON

Secretary

Chairman

Motion: Senator Devlin made a  
motion to TABLE SB 185.  
In Favor - 8; opposed - 1 (Jergeson)  
MOTION CARRIED.