

2017 HOUSE AGRICULTURE

HB 1131

2017 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Peace Garden Room, State Capitol

HB 1131
1/13/2017
Job #26869

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to adoption of federal meat inspection regulations.

Minutes:

Attachment #1

Shaun Quissell, Livestock Development Director, North Dakota Dept. Of Ag. :
(Attachment #1)

(2:45)

Representative Hogan: Have they always been in the administrative rules?

Shaun Quissell: Yes, they have always been in administrative code since they were created after the 1999 legislation.

Representative Hogan: I haven't been aware of things moved back from Administrative Code to Century Code before. Has this happened before in the Agriculture Department?

Shaun Quissell: No, but we thought with the cost of rulemaking going up we would align it with our dairy regulations.

Representative Headland: Are there any changes in administrative code that you want to make us aware of?

Shaun Quissell: None that we know about.

Representative Magrum: What is the difference between codes?

Shaun Quissell: Administrative code is the legislature gives each agency rule making authority.

Representative Magrum: So Century Code is under the legislature?

Representative McWilliams: Is there any benefit for moving it from administrative code into Century Code?

Shaun Quissell: The benefit we see is avoiding the cost of administrative rules. You have to put public notice out in every newspaper in the state. Then often times the only people that show up at the hearing are the staff that have to be there. Then it has to go to the interim committee which is approved by the legislature anyway.

Chairman Dennis Johnson: If it is in the Century Code, it is up to the legislature every two years if we want to change something.

Opposition: None

Representative Headland: Moved Do Pass

Representative Boschee: Seconded the motion

Representative Boschee: I have served on the administrative rules committee the last two interims. Sometimes there is friction between the two processes. In many of the laws this session we are giving authority back to the agencies to make their own rules. We have legislators that are the final check. When agencies go through this it can cost anywhere from \$2,000 to \$5,000 for them to publish notice in every newspaper.

My opinion as someone who served on the administrative rules committee, this is a good move to save some money.

A Roll Call vote was taken: Yes 14, No 0, Absent 0.

Do Pass carries.

Representative Schreiber-Beck will carry the bill.

REPORT OF STANDING COMMITTEE

HB 1131: Agriculture Committee (Rep. D. Johnson, Chairman) recommends **DO PASS**
(14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1131 was placed on the
Eleventh order on the calendar.

2017 SENATE AGRICULTURE

HB 1131

2017 SENATE STANDING COMMITTEE MINUTES

Agriculture Committee
Roosevelt Park Room, State Capitol

HB 1131
2/10/2017
Job # 28195

- Subcommittee
 Conference Committee

Committee Clerk Signature

Emmey Brothman

Explanation or reason for introduction of bill/resolution:

Relating to adoption of federal meat inspection regulations

Minutes:

Attachments: #1

Chairman Luick: Opened the hearing on HB 1131.

(0:20 – 2:10) **Shaun Quissell, Livestock Development Director, NDDA:** Testified in Support of HB 1131 (See Attachment #1).

Senator Klein: When we got this program rolling we thought we were going to be able to provide some gray areas so we could do more but we have learned that we haven't been able to do more, correct?

Shaun Quissell: I think the part where we can do more is in our outreach and helping establishments work with the process when rules are created. But at the end of the day, we still have to meet all the federal regulations. I think our approach is a lot better than the federal government.

Senator Klein: If we didn't have state meat inspection, does the cost of that fall back on ND? Are there any cost savings by going this way?

Shaun Quissell: Under the program we found two cooperative agreements. We have our normal meat inspection which is a 50/50 program where the federal government pays 50% and the state pays the other. We have our cooperative interstate shipment which is a 60/40 split which allows for state inspector facilities to go interstate where the federal government pays 60%, we pay 40%. If we did not have that program, the only availability for plants would be federal or custom exempt and all the inspections would be carried out by the federal government. Going back to the cost savings, if they see any benefit from our inspections compared federal inspection; with the amount of outreach we do and our ability to help with situations, it is of benefit to our state plants.

Senator Klein: Some years ago, there was concern that we couldn't ship meat interstate. Can we ship meat inspected by the ND meat inspection program across our borders?

Shaun Quissell: We can, it is through a separate program. Originally when the federal government was working on it, it was going to be a much easier process where it was just a matter of changing laws. Some groups got involved and made it much more cumbersome so they created the cooperative interstate shipment program. What happens under that is the state inspector still carries out inspection and they are given a federal inspection number which has to be same as instead of equal to. We have one establishment operating on that in Grand Forks with the possibility of two more coming on in the future.

Senator Klein: Same as and equal to sounds close, doesn't it?

Shaun Quissell: That's what we thought too. Going through the program, we've realized they have different interpretations on that. the federal government makes us take all the same training they're inspectors would have; previously, we could utilize other states which had a more simplified version. The current training we have to send our employees to is over a month long.

Chairman Luick: How many state inspectors and federal inspectors are there in the state?

Shaun Quissell: We have 7 state inspectors, 13 total on staff. I couldn't tell you the number of federal.

Chairman Luick: Is there duplicative work that goes on with these inspectors?

Shaun Quissell: No there is not. By our state law, we are not allowed to duplicative work of the federal employees. They have their plants, we have ours and there is no real cross over.

Senator Klein: The inspector spends the day at the facility during slaughter day, correct?

Shaun Quissell: Every animal is inspected for health prior to slaughter. We have to be there at least once per shift on processing days. We have a computer system that assigns a certain number of tasks, an inspector shows up on that day and perform those tasks and then they either go onto another establishment or do other work.

Chairman Luick: I have a locker plant in my area that has inspectors come in and one that does not. What is the difference?

Shaun Quissell: Do you know which plants?

Chairman Luick: I just know they butcher chickens and I don't know what the difference is in how they are regulated.

Shaun Quissell: We have state inspected facilities: either slaughter or processing and those ones will have inspectors and they are allowed to wholesale their product. Also in our state we have custom exempt establishments, they simply provide a service to the people. They will slaughter meat you bring in and the meat has to go back to you and labeled "not for sale."

Under those, there is a lot less inspection. For those establishments we inspect them quarterly and we are looking for sanitization and few record requirements. The actual inspected processing and slaughters are a much more in depth process but that why they are allowed to sell to grocery stores, gas stations, etc.

Senator Larsen: Who inspects the meat coming into the state? Does rare meat get inspected?

Shaun Quissell: Yes, most likely it is federally inspected product. When you get into the more nontraditional livestock, it is usually a voluntary program and the plant has to pay the USDA to slaughter them.

Senator Klein: Generally, as a legislature, we get concerned when we just go ahead and adopt federal ordinances. This is giving up our rights to have an administrative hearing but all you were doing was having the hearing, bringing in the federal law, and sending it through the administrative rules committee and process, correct?

Shaun Quissell: It is a little more in-depth process than that; we have to put a notification in all the papers in ND so that becomes the major expense of doing that advertising. Then you have your rules drafted and you hold an administrative hearing. We see this as allowing us to work with you so if there are federal regulations that you take issue on, we are presenting it to you and you can directly decide if you want to adopt them or not.

Senator Klein: But that doesn't change anything, correct? Whether we are adopting the federal law through your department or we are going through administrative rule, the rules and the laws are going to be the same other than the fact that you had to go through all the processes and notify every newspaper. At the end of the day, there is nothing we can do to make the federal rule or law change, correct?

Shaun Quissell: At that point, that would be the same. We can vote it down and then we will have to fight with the federal government to get it changed.

Senator Myrdal: Line 9, could you qualify what the excluded parts are and explain why they are excluded?

Shaun Quissell: Most of those are regulations that fall back onto canning. The USDA has some regulations on the canning of meat and we don't have any establishments in our state that do that, so we exclude those portions out.

(14:00 – 16:00) **Committee Discussion:** In response to a question from Senator Piepkorn, Shaun Quissell provided the committee with information about retail exemption.

Senator Larsen: The label of origin issue that comes up, if that is something the federal meat inspection wants to push, would we fall under that umbrella?

Shaun Quissell: With the previous labeling, with the volume our plants did they did not have to comply with that.

Senator Klein: Didn't we used to have a country of origin label in ND?

Shaun Quissell: Yes, I believe that falls under the Health Departments food code so we wouldn't directly have anything to do with that. I think a lot of places we are able to cover that by putting the blanket statement that all products are from the US.

Senator Myrdal: Moved Do Pass.

Senator Larsen: Seconded the motion.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent.

Motion carried.

Senator Osland will carry the bill.

REPORT OF STANDING COMMITTEE

HB 1131: Agriculture Committee (Sen. Luick, Chairman) recommends **DO PASS**
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1131 was placed on the
Fourteenth order on the calendar.

2017 TESTIMONY

HB 1131

COMMISSIONER
DOUG GOEHRING



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NORTH DAKOTA
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Testimony of Shaun Quissell
Livestock Development Director
House Bill 1131
House Agriculture Committee
Peace Garden Room
January 13, 2017

Chairman Johnson and members of the House Agriculture Committee, I am Shaun Quissell, Livestock Development Director for the North Dakota Department of Agriculture (NDDA), and I am representing Agriculture Commissioner Doug Goehring. I am here today in support of House Bill 1131, which would adopt federal meat inspections regulations.

The Federal Meat Inspection Act (FMIA) allows states to operate their own meat inspection program if certain conditions are met. The primary condition being that the State develop and maintain laws, regulations and procedures that are 'at least equal to' the federal program, which is operated by the United States Department of Agriculture (USDA). After the North Dakota State Meat Inspection program was created by the 1999 Legislature, the NDDA was tasked with developing the rules, policies, and procedures that would meet the approval of the USDA. States are required by the FMIA to attain this approval prior to implementing their program. In the rule making process, ND Administrative Code §7-13-01-03 was created, which adopted most of the federal regulations related to meat inspection. If these federal regulations had not been adopted, the state would have had to recreate the same or similar regulations that were deemed 'equal to'.

Since the original adoption, the NDDA has had to go through the rule-making process on several occasions in order to adopt the most current version of federal regulations or to incorporate new federal regulations. This process is very time consuming and costly, and has not attracted significant public comment. By moving this section into century code, the costly rule-making process can be avoided and these regulations will be regularly updated every two years. There are no new regulations being incorporated, this bill will only move requirements from administrative rule into century code.

Chairman Johnson and committee members, thank you for your consideration of HB 1131. I would be happy to answer any questions you may have.

COMMISSIONER
DOUG GOEHRING



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Testimony of Shaun Quissell
Livestock Development Director
House Bill 1131
Senate Agriculture Committee
Roosevelt Park Room
February 10, 2017

Chairman Luick and members of the Senate Agriculture Committee, I am Shaun Quissell, Livestock Development Director for the North Dakota Department of Agriculture (NDDA), and I am representing Agriculture Commissioner Doug Goehring. I am here today in support of House Bill 1131, which would adopt federal meat inspections regulations.

The Federal Meat Inspection Act (FMIA) allows states to operate their own meat inspection program if certain conditions are met. The primary condition being that the State develop and maintain laws, regulations and procedures that are 'at least equal to' the federal program, which is operated by the United States Department of Agriculture (USDA). After the North Dakota State Meat Inspection program was created by the 1999 Legislature, the NDDA was tasked with developing the rules, policies, and procedures that would meet the approval of the USDA. States are required by the FMIA to attain this approval prior to implementing their program. In the rule making process, ND Administrative Code §7-13-01-03 was created, which adopted most of the federal regulations related to meat inspection. If these federal regulations had not been adopted, the state would have had to recreate the same or similar regulations that were deemed 'equal to'.

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Chairman Luick and committee members, thank you for your consideration of HB 1131. I would be happy to answer any questions you may have.