

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Joann Flower at 9:00 a.m. on February 20, 1995, in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
Jill Wolters, Revisor of Statutes
Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Dr. David E. Ripple, Dodge City, Trustee, Western District of the Kansas Veterinary Medical Assn.
Dr. Pete Sherlock, Washington, member, KVMA Livestock Market Committee
George Teagarden, Livestock Commissioner, Kansas Animal Health Department
Mike Beam, Executive Secretary, Cow-Calf/Stocker Division, Kansas Livestock Association
Steven R. Estes, Vice-President and co-owner, Atchison County Auction Company, Inc.

Others attending: See attached list

Chairperson Flower called the meeting to order and directed the committee's attention to the minutes of February 14 and 15. If there are corrections or additions to notify the secretary by 5:00 p.m. today or they would stand approved as presented. She then opened hearings on **HB 2456**.

Hearing on HB 2456 - Allows livestock commissioner to set fees for veterinarian inspections at public livestock markets

Jill Wolters briefed the committee on **HB 2456** that had been requested by Catherine Deever, Executive Director, Kansas Veterinary Medical Association, Inc. The bill changes the word "treated" to "handled" in line 26. In lines 30 to 42 the fee amount is changed from a \$.07 minimum to a maximum of \$.20. The minimum per diem is raised from \$40 to \$50. The actual amount to be established by the livestock commissioner annually.

Dr. David E. Ripple, Trustee for the Western District of the Kansas Veterinary Medical Association, from Dodge City, spoke in support of **HB 2456**. The sixty-two livestock market veterinarians in Kansas actually work for the Kansas Livestock Commissioner to assure quality control and protection for the consumer at livestock auctions. They provide regulatory services for the state. He covered the various services provided by the veterinarian at livestock market auctions. The sale barn provides about 11 percent of the veterinarian's gross income, but requires 21 percent of his time. As veterinarian fees have not been raised since 1981, the consensus of the veterinarians was that it should be raised to \$.15. With a cap of \$.20, the actual amount would be set by the livestock commissioner annually. He felt this legislation should provide sufficient flexibility in establishing livestock market fees in the future. (Attachment 1)

Dr. Pete Sherlock, Washington, Kansas, and a member of the Kansas Veterinarian Medical Association Livestock Market Committee, appeared in support of **HB 2456**. Kansas statutes require that a veterinarian be on premises to inspect livestock, write health papers, and make judgment decisions regarding the health status of animals being offered for sale. Livestock market veterinarians are contracted by the state to perform these tasks. These veterinarians visually inspect the livestock; give medical advice to sellers, buyers, and sale barn operators; and issue interstate health certificates. Compensation received for performing state regulatory work at livestock auctions should pay a fair wage for the level of professional expertise required and the liability assumed. Providing fee flexibility allows the livestock commissioner to respond to economic fluctuations. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE, Room 423-S Statehouse, at 9:00 a.m. on February 20, 1995.

George Teagarden, Livestock Commissioner, Kansas Animal Health Department, appeared neither as a proponent or opponent of **HB 2456**. By statute all livestock markets are required to have a veterinarian on premises to inspect all livestock before they are sold. As more and more emphasis is put on food safety, he thought the role of these veterinarians would become even more important. There has been a 28.5 percent reduction in livestock sold through public livestock markets in 1994, compared to 1981. Veterinarians are actually receiving less total dollars for inspection today than they did in 1981. He reported that only two livestock markets are paying more than the \$.07 minimum. The minimum per diem rate varies from \$10 to \$50. Forty-four of the 62 markets pay a \$40 minimum. (Attachment 3)

Dr. Fred Beeman, Norton, Kansas, provided written testimony in support of **HB 2456**. His cost of doing business has increased during the past 14 years and would like to see inspection fees raised to keep pace with the economy. He would like to see fees raised to \$.15, same as Nebraska and South Dakota. (Attachment 4)

Mike Beam, Executive Secretary, Cow-Calf/Stocker Division, Kansas Livestock Association, appeared in opposition to **HB 2456**. He expressed concern that the inspection fee would be a set maximum of \$.20 per head to be set annually by the livestock commissioner. The current minimum of \$.07 can be negotiated between the market operator and the market veterinarian up to \$.15 or \$.20 per head, or more, if there is justifiable reason for the fee increase. He questioned the advisability of taking away the negotiation provision. Local factors may warrant different fee rates per head. For example, markets with a high sales volume can possibly justify a lower per head rate. Some markets may require a significant amount of veterinary services that generate revenue to the veterinarians, making a smaller per head fee possible. He thought there were perhaps alternatives that would address these concerns that should be explored. (Attachment 5)

Steve Estes, Vice-President and co-owner of the Atchison County Auction Company, Inc., in Atchison, Kansas, appeared in opposition to **HB 2456**. He is president of the Kansas Livestock Markets Association, but did not represent them as their directors had not had sufficient time to consider the terms of **HB 2456**. As a market operator, state statute requires him to collect from each consignee a fee which is determined by negotiation between himself and the market veterinarian. He is opposed the provision in **HB 2456** that would remove his right to negotiate fees with his market veterinarian. It would place the sole authority to set the rate for veterinarian inspection fees at all livestock markets with the livestock commissioner. Each market is different. The amount of the fee at each market should depend on the volume of livestock inspected and the ability of the veterinarian to generate other income from the market. In answer to committee questions, Mr. Estes responded that the veterinarian at his market averaged somewhere between \$800 and \$1500 per week. This does not include inspection fees, but income from other services provided to sellers and buyers at the sales. He stated that he provided the facilities to the veterinarian. He was asked if consignees knew how much of the current \$.19 per head fee goes to the Livestock Department and how much goes the veterinarian. He wasn't sure, but thought they probably considered the total as a state fee. (Attachment 6)

This concluded the hearing on **HB 2456**.

The meeting adjourned at 10:00 a.m. The next meeting is scheduled for February 21, 1995.

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: February 20, 1995

NAME	REPRESENTING
Catherine A. Decker	Ks. Vet. Med. Assn.
Wendy Riple	KUMA
Shannon Connor	KUMA
Leon Connor	KUMA
George Teagarden	Animal Health Dept
Tate Sheddell	KUMA
Elder Reister	KUMA
Bill Fuller	Kansas Farm Bureau
Karl Melderer	KDHE
Alan Holmes	Division of Budget
Kenneth M. Wilke	Dept of Agriculture
Freeman M. Vicovy	Visitor
Jamie Clover Adams	KGFA / KFCA
Marty Vanier	KAA
Russ Frey	
Mike Jensen	Ks Fowl Council



KANSAS VETERINARY MEDICAL ASSOCIATION, .

816 SW Tyler, Suite 200, Topeka, Kansas 66612, (913) 233-4141

FAX: (913) 233-2534

February 20, 1995

Representative JoAnn Flower, Chairperson and
Members of the House Committee on Agriculture
171-W, State Capitol
Topeka, Ks. 66612-1590

Dr. Gary L. Modrcin
President
College Blvd. Animal Hospital
11733 College Blvd.
Overland Park, Ks. 66210

Chairperson Flower and
Member of the House Committee on Agriculture:

Dr. Duane M. Henrikson
President-Elect
Emporia Veterinary Hospital
710 Anderson
Emporia, Ks. 66801

RE: HB 2456 - Livestock Market Inspection Fees

On behalf of the Executive Board of the Kansas Veterinary Medical Association, we want to thank the members of the House Agricultural Committee for the opportunity to discuss **providing flexibility in establishing livestock market fees** according to shifts in the economy and allowing for consistency with fees set in surrounding states.

Dr. William D. Fortney
Vice President
Dept. Clinical Sciences
KSU College of Veterinary Med.
1735 Cedar Crest
Manhattan, Ks. 66502

The sixty-two (62) livestock market veterinarians in the state of Kansas play an important role in the livestock industry in assuring quality control and protecting the consumer at the state's livestock market auctions.

Dr. Vern Otte
Trustee-at-Large
State Line Animal Hospital
2009 W. 104th
Leawood, Ks. 66206

Our professional duties for the auctions are multiple and reach beyond the market itself. We work for the Kansas Livestock Commissioner, and our services are an extension of his office.

Dr. Frank Solomon
Treasurer
Solomon Veterinary Clinic
7810 E. Funston
Wichita, Ks. 67207

The State benefits from this relationship in that regulatory services are provided for the livestock markets without funding full-time state employees (salary, benefits and travel) to perform those services for 62 livestock markets, and local practitioners benefits from some additional income.

Catharine A. Deever
Executive Director
KVMA Office
816 SW Tyler, Suite 200
Topeka, Ks. 66612

This relationship has worked to the advantage of both the State and local practitioners in the past. **The current problem is that the \$.07 per head fee set in 1981 is no longer justifiable to the practitioner paying 1995 costs of providing services.**

An overview of those services is provided below:

* Inspection for health and marketability of livestock offered for sale at the market;

* Inspection of facilities to insure adequacy (they must be clean and in good repair and must lend themselves to the humane treatment of housing livestock);

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- * Assurance of humane treatment given livestock while housed at the market;
- * Enforcement of Kansas laws as they pertain to the sale and movement of all livestock passing through local markets;
- * Implementation of the brucellosis testing program for the State of Kansas;
- * Provision of health inspection certificates and compliance assurance with the laws of other states to which livestock from Kansas may be exported;
- * Insurance of proper disposition of livestock deemed unmarketable.

We are always cognizant that we work for the State of Kansas and ultimately, the people of Kansas, not only in the area of consumer protection, but also in the proper handling of food-producing animals. **The ultimate goal of this activity is the assurance of safe food products for the public.**

The Livestock Market Committee of the KVMA has researched the need for fee adjustment over the past several years. A subcommittee was formed to gather information and seek advice from the Livestock Commissioner on our options in receiving an increase in compensation.

Livestock Commissioner George Teagarden has been extremely helpful in providing background information and suggestions in revising legislation. A survey was sent to all sale barn veterinarians with a 50% responding in a formal fashion. **The consensus of the group was that the "per head fee" should be in the neighborhood of fifteen cents (\$.15), which would be comparable to fees charged in surrounding states.**

It should be noted, however, that **Nebraska (which is currently set at \$.15 per head may increase to as much as \$.25 per head and that amount represents a compromise between Nebraska veterinarians and producers).**

In 1952, when our practice in Dodge City took over regulatory services at the then McKinley-Winter Livestock Auction, we received a fee of \$.05 per head. This fee level was not increased for thirty (30) years.

In 1981, it was raised to \$.07 per head. Although another increase to ten cents per head was effected in 1991, the enacting legislation was later rescinded due to unclear language.

All of us are reminded on a daily basis of the effects resulting from inflation. Since the sale barn veterinarian is a contracted service provider in this case, the costs of hiring additional help, related worker's compensation and liability insurance premiums are borne by the veterinarian.

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Veterinarians could not depend upon sale barns as a sole source of income; so, this service is included in the overall management of a veterinarian's practice. In our particular case in Dodge City, we provide services for one of the largest sale barns in the state and usually, more than one veterinarian is needed to render all of the services required by the State.

The sale barn provides about 11% of our gross income but requires 21% of our time. Looking at this from a performance-based budget concept, we cannot continue this activity. It should be noted as well that, due to fluctuations in the numbers of livestock sold from week to week, **the income is not consistent.**

All of these factors show that if a veterinarian's services continue to be required, then the involved veterinarians need to be fairly compensated.

In summary, the issues here begin with a relationship the veterinarian at the local sale barn has by contract with the State of Kansas. In that capacity, he or she acts as an inspector, carries out regulated testing programs, keeps records, makes professional judgments, provides official certificates required in the interstate movement of livestock, and often must serve as a mediator between sale barn operators, buyers and sellers.

Compensation for the Kansas veterinarian has not kept up with the costs of providing these services. A fee increase is well past due. We ask that you act to provide annual latitude in setting fees in the context of our economic environment and the level of expertise required and liability assumed.

Sincerely yours,



David E. Ripple, DVM (Dodge City)
Trustee for the Western District of the
Kansas Veterinary Medical Association



KANSAS VETERINARY MEDICAL ASSOCIATION, INC.

816 SW Tyler, Suite 200, Topeka, Kansas 66612, (913) 233-4141

FAX: (913) 233-2534

Pete Sherlock, DVM
Washington Veterinary Clinic P. A.
Washington, Kansas 66968

February 20, 1995

Dr. Gary L. Modrcin
President
College Blvd. Animal Hospital
11733 College Blvd.
Overland Park, Ks. 66210

Representative JoAnn Flower, Chairwoman and
Members of the House Committee on Agriculture
171-W, State Capitol
Topeka, Ks. 66612-1594

Dr. Duane M. Henrikson
President-Elect
Emporia Veterinary Hospital
710 Anderson
Emporia, Ks. 66801

Chairwoman Flower and
Members of the House Committee on Agriculture

Reference House Bill 2456

Dr. William D. Fortney
Vice President
Dept. Clinical Sciences
KSU College of Veterinary Med.
1735 Cedar Crest
Manhattan, Ks. 66502

My name is Pete Sherlock, and I am a veterinarian living in Washington, Kansas, who has been practicing veterinary medicine for 15 years (14 of those years in Washington). My partner, Dr. Tom Dragastin, and I own and operate the Washington Veterinary Clinic, a professional corporation which employs 4 full-time staff. **Our practice consists primarily of food animal production medicine of which the salebarn operation is one responsibility.**

Dr. Vern Otte
Trustee-at-Large
State Line Animal Hospital
2009 W. 104th
Leawood, Ks. 66206

I am a member of the KVMA Livestock Market (Salebarn) Committee. For the last several years we have met with the former Livestock Commissioner, Animal Health Dept Veterinarian Dr. Sam Graham and the current Livestock Commissioner to seek advice and work on a solution regarding the establishment of inspection fees.

Dr. Frank Solomon
Treasurer
Solomon Veterinary Clinic
7810 E. Funston
Wichita, Ks. 67207

"Fee increase" may not be a popular phrase these days but we feel, in this case, there is justification for change of KSA 47-1008, and I appreciate your time to allow me the opportunity to voice my reasons why.

Catharine A. Deever
Executive Director
KVMA Office
816 SW Tyler, Suite 200
Topeka, Ks. 66612

KSA 47-1008 requires a veterinarian to be on premises to inspect livestock, write health papers and make judgement decisions regarding health status of animals being offered for sale.

Salebarn veterinarians are contracted by the state to perform these tasks, therefore carrying out state regulatory duties. Salebarns operate as a private business and competition is keen between barns. Salebarns collect commissions from the sellers of the livestock. Commissions and yardage in the barn I work at range from \$ 6.50 to \$ 11.00 / animal depending upon classification of the livestock sold.

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State fees are collected at sale time and are added to the sellers expense. These fees total 19 cents, 12 cents to the state livestock department and 7 cents to salebarn veterinarian.

I would like to digress and assert that duties charged to salebarn veterinarians involve more than "inspection." Regulatory Services more accurately describes the functions provided during and after livestock auctions and they are discussed below:

FIRST

Visual inspection of cattle is performed prior to the sale. Any animals appearing unhealthy are examined further, which may include a **complete health examination**. A determination is made after examination of the salability of the individual animal and its herdmates.

Decisions made by the salebarn veterinarian are not always met with jubilation from the parties involved. If there are health problems and the animals are denied sale **in order to protect the consumers**, veterinarians are pressured by:

* Owners who are upset because they want to sell and don't believe their animals are sick;

* Salebarn operators who are upset because they fear sellers may not come back (and if a particular seller happens to be a good client of that veterinarian's clinic, the veterinarians risks future business - all for 7 cents and the placing of public interests ahead of personal profit).

SECOND

Salebarn veterinarians do answer health questions by sellers, buyers and barn operators and **give medical advice** on various conditions observed for the animals presented at the auction.

THIRD

Issuance of interstate health certificates for movement of cattle from salebarns to other states has become quite time consuming. Over the last 2 years states, such as Nebraska, have become aggressive in their approach to enforcing proper regulatory paper work in interstate movement of livestock.

Proper health certificates have always been required for interstate commerce, but in the past many trucking firms, feedyards and buyers did not obtain them. Stoppage of trucks and fines have changed that. Calling states for proper procedures, obtaining permits and writing of the health certificates takes time. This work **occurs after the sale is over and sometimes late at night** when a trucker or buyer decides to move the cattle purchase out of state.

The liability and risk assumed by the veterinarian when issuing health certificates are real and if any inaccuracies occur either with the livestock or with the issued paperwork (the health certificate) it is the veterinarian's career on the line provided by his or her signature on the certificate.

The simple question is, "Does the revenue received for performing state regulatory work at livestock auctions pay a fair wage for the level of professional expertise required and liability assumed? We don't believe so.

Let's take my situation as an example. The livestock auction in Washington is a relatively small barn. The past three years the auction had averaged 29,000 head of cattle sold. At the current 7 cents inspection fee rate, this amounts to \$ 2,030.00 or \$ 39.06/ sale day.

My time performing the state regulatory duties takes on the average of 1 & 1/2 to 2 hours/ sale day. At 1 & 1/2 hours, my gross income averages out to \$ 27.35 / hour (\$ 39.06 / 1.5 hours).

A veterinary hospital is not unlike any other small business. Operating expenses are real. Our cash operating expense, figured on an hourly basis (for fiscal year ending August 31, 1994) was \$ 40.32 or \$ 20.16 per veterinarian hour (based on 2240 work hours/year).

My net return on the 1 1/2 hours of contractual regulatory work is \$ 7.19/ hour (\$ 27.35 gross minus \$ 20.16 operating).

It is important to note that the current inspection fee is at the 1981 level. As illustrated above, this fee has not kept up with the cost of doing business. Time required to perform the regulatory work has increased, and the liability if signing anything in today's society is an increased concern for all of us.

Veterinarians across the state have agreed on the recommended changes in this bill. Substituting the section regarding negotiation of a minimum with annual fee setting by the livestock commissioner will focus concern on the food-consuming public rather than the adversarial relationship which sometimes exist between salebarn operators and the veterinarian over animal health versus profit.

Providing fee flexibility on an annual basis, with a maximum ceiling of \$.20 a head, allows the livestock commissioner to respond to economic fluctuations. This particular approach, if I remember correctly, was initially suggested by Commissioner Teagarden. Additionally, the setting of a \$ 50.00 minimum fee per sale will allow veterinarians to at least recover their investment and service costs.

My hope is that by coming before you today and explaining those professional services veterinarians provide at a livestock auction, both the obvious and the after-sale work done for the state, taxpayer, buyers, sellers and auction operators, you will gain some understanding of our responsibility.

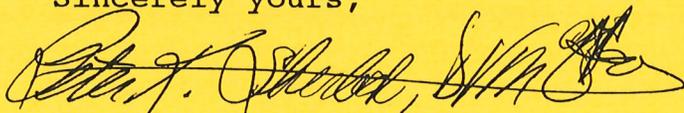
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In summary, our concerns are these:

- 1) The inspection fee has not changed since 1981 and so that fee has not kept up with the cost of doing business;
- 2) Time required to perform the regulatory work has increased;
- 3) Liability associated with signing anything in today's society is a concern. Ours is greatest in matters of food safety.

The reasons to justify adopting KSA 47-1008 are many, and I believe I have addressed the concerns of my colleagues as well as my own. We are not here to be unreasonable, but to ask for fair compensation for quality services.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Peter K. Sherlock, DVM". The signature is written in a cursive, somewhat stylized script.

Peter K. Sherlock, DVM
Kansas Veterinary Medical Association
Livestock Market Committee

STATE OF KANSAS
KANSAS ANIMAL HEALTH DEPARTMENT

George Teagarden, Livestock Commissioner
712 South Kansas Avenue Suite 4-B Topeka Kansas 66603-3808
Phone 913/296-2326 FAX 913/296-1765

February 20, 1995

Madame Chair, members of the House Agriculture committee, thank you for allowing me to present testimony in regard to H.B. 2456. I am George Teagarden, Livestock Commissioner for the State of Kansas.

H.B. 2456 will adjust the fees that veterinarians are paid for inspection services at public livestock markets. The current fee was set in 1983.

By statute all livestock markets are required to have a veterinarian on the premises to inspect all livestock before they are sold. These veterinarians, using their professional judgment, determine whether the livestock are infected with any infectious or contagious disease and have the authority to stop sale on anything, that in their judgment, is not marketable. As more and more emphasis is put on food safety, I believe that the role of these veterinarians will be more important.

In 1983 the inspection fee was raised from \$0.05 to \$0.07. In 1983, 3,969,143 head of livestock were sold through our public livestock markets. In 1994 that number had dropped to 2,836,168 head; a 28.5 percent reduction in numbers. Veterinarians are receiving less total dollars for inspection today that they did in 1981.

Two markets are paying more than the \$0.07 minimum today. The minimum rate per day varies from \$10 to \$50. Forty-four out of the 62 markets pay a \$40 minimum.

I hope that you will give serious consideration to H.B. 2456.

George Teagarden

*House Agriculture
Attachment 3
2-20-95*



KANSAS VETERINARY MEDICAL ASSOCIATION, INC.

816 SW Tyler, Suite 200, Topeka, Kansas 66612, (913) 233-4141

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Dr. Gary L. Modrein
President
College Blvd. Animal Hospital
11733 College Blvd.
Overland Park, Ks. 66210

Chairperson Flower and
Members of the House Committee on Agriculture

From: Fred Beeman, DVM
Norton, Veterinary Clinic
Norton, Kansas 67654

Dr. Duane M. Henrikson
President-Elect
Emporia Veterinary Hospital
710 Anderson
Emporia, Ks. 66801

Reference House Bill 2456

I am writing to request your consideration of inspection fees at my livestock auction. The inspection fee too low to allow for my cost of business increasing each year. All labor costs have seen some inflation in the past 14 years as you are all aware. I would like the inspection fee raised to that of Nebraska and South Dakota which is currently 15 cents per head.

Dr. William D. Fortney
Vice President
Dept. Clinical Sciences
KSU College of Veterinary Med.
1735 Cedar Crest
Manhattan, Ks. 66502

Dr. Vern Otte
Trustee-at-Large
State Line Animal Hospital
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Dr. Frank Solomon
Treasurer
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Catharine A. Deever
Executive Director
KVMA Office
816 SW Tyler, Suite 200
Topeka, Ks. 66612

*House Agriculture
Attachment 4
2-20-95*



*A Century of Service
1894-1994*

February 20, 1995

**To: House Committee on Agriculture
Representative JoAnn Flower, Chair**

From: Mike Beam, Executive Secretary, Cow-Calf/Stocker Division

Re: HB 2456, Veterinarian Inspection Fees at Livestock Markets

On behalf of the Kansas Livestock Association (KLA), I appreciate the opportunity to present a few comments of concern and opposition to House Bill 2456. As most of you know, KLA is a trade association, representing approximately 7,000 farmers and ranchers throughout the state of Kansas. Many KLA members rely on auction markets to market their animals and pay the fee that's under consideration in this legislation.

The KLA Cow-Calf/Stocker Council Executive Committee discussed this bill last Friday and asked me to relay some of their concerns and urge the committee to not approve the bill this year.

For review purposes, the current veterinarian inspection fee on line 32 says the fee, "shall not be less than 7¢ per head." Furthermore, a fee of a rate higher than 7¢ is permissible and may be negotiated between the market operator and the market veterinarian.

This bill makes two changes in this provision. First, the minimum of 7¢ per head would be changed to a statutory maximum of 20¢ per head. Furthermore, the fee could be established by the Livestock Commissioner.

We question the advisability in taking away the negotiation provision between the veterinarian and market operator. This bill does not give the livestock commissioner the ability to set the fee at a different rate for each market. There are local factors that may warrant a different per head rate among the various markets. Markets with a high volume of sales can justify a lower per head rate. Some markets require a significant amount of veterinary services that generate revenue to the veterinarians, and it's not as important to collect on a per head basis from cattle consigned at these markets.

We should remember the current law does not prohibit this fee from increasing to 10, 15, 20 or 50¢ per head. If there is a justifiable reason for the fee to increase, the market operator and veterinarian can reach this agreement on their own accord.

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We are sympathetic to our friends in the veterinarian community, especially the veterinarians who spend long days at auction markets throughout Kansas. Perhaps there are alternatives to address their concerns that we have not explored.

Our members asked me to indicate their interest in meeting with market veterinarians and market operators in the next 12 months to see if a more agreeable solution can be reached for consideration in 1996. If this committee chooses not to advance HB 2456 we'll be glad to enter into discussions with the affected parties.

Thank you!

Atchison County Auction Company, Inc.

MARKET • 913-367-5278

RON ESTES • 913-367-4683

STEVE ESTES • 913-367-3236

2103 MAIN STREET • P.O. BOX 307

ATCHISON, KANSAS 66002

February 20, 1995

To: The Kansas House Agriculture Committee
From: Steven R. Estes
Re: House Bill 2456

Chairperson Flowers and members of the committee:

My name is Steve Estes and I am Vice-President and one of the owners of Atchison County Auction Company, Inc. in Atchison, Kansas. I am also currently serving as President of the Kansas Livestock Markets Association.

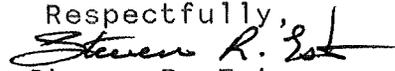
I am not speaking to you today on behalf of the Kansas Livestock Markets Association due to the fact that the Board of Directors of the Kansas Livestock Markets Association has not had an opportunity to meet and consider the terms of House Bill 2456. I am speaking to you today as a market operator affected by KSA Chapter 47 Section 1008, the statute which would be amended by House Bill 2456.

It is my understanding that the current law requires me, as a market operator, to collect from each consignor a fee which is determined by negotiation between me and my market veterinarian. This fee shall not be less than seven cents per head for all livestock that are inspected at the market or at least \$40.00 per sale day. The current law also provides that, "Any amount lesser or greater than the \$40.00 amount specified, shall be determined by negotiation between the market operator and the market veterinarian."

I am opposed to the provisions of House Bill 2456 for the reason that it would strip away my right to negotiate with my market veterinarian the appropriate fee for the veterinary inspection services at my market. It would place into the hands of the Livestock Commissioner the sole authority to set the rate for veterinary inspection services at all livestock markets. The amount that the veterinary inspection services at a livestock market should cost each consignor depends on the volume of livestock inspected and the ability of the veterinarian to generate other income from the market such as the testing of cows and vaccinations and working of other cattle. It is my understanding that this bill would establish a rate by decree of the Livestock Commissioner. It would be binding on all livestock markets without taking into consideration any of the factors which are taken into account when the market operator and market veterinarian are left to negotiate an appropriate fee for these services.

I am not aware that the current law and fee schedule is not satisfactory with my market veterinarian and I would respectfully request that the current law be left as is.

Respectfully,


Steven R. Estes

*House Agriculture
Attachment 6
2.20.95*