

MINUTES OF THE SENATE JUDICIARY COMMITTEE.

The meeting was called to order by Chairperson Emert at 10:12 a.m. on March 9, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Petty (excused)

Committee staff present:

Gordon Self, Revisor
Mike Heim, Research
Jerry Donaldson, Research
Mary Blair, Secretary

Conferees appearing before the committee:

Alan Hess, President, Kansas Livestock Association
Steve Hunt, CEO, U.S. Premium Beef, Kansas City
Warren Weibert, Decatur County Feed Yard, Oberlin
Henry Gardner, Gardner Angus Ranch, Ashland
Ken Bull, Excel Corporation, Wichita
Andrew Murphy, Great Bend Feeding, Inc.
Jan Lyons, Lyons Angus Ranch, Manhattan
Ken Conway, Angus Gene Net
Bill Fuller, Kansas Farm Bureau
Mike Jensen, Kansas Pork Producers Council

Others attending: see attached list

The minutes of the March 7th meeting were approved on a motion by Senator Bond, seconded by Senator Goodwin. Carried.

SB 590—concerning livestock; regarding ownership of such livestock

The following conferees were all opponents of **SB 590**:

Conferee Hess highlighted facts and economic data from market analysts and livestock economists regarding the marketing of fed cattle. His well documented data appears to refute claims made by some supporters of **SB 590** that packers practice price manipulation and are possibly violating anti-trust laws. ([attachment 1](#))

Conferee Hunt commented on the structure of the beef industry and the economic issues effecting it. He stated that his company is the first large scale beef marketing cooperative in the United States and he summarized the results of it's two year operation. He asked the Committee to continue to allow freedom to develop creative new marketing strategies that will add value for producers while improving the beef product for consumers. ([attachment 2](#))

Conferee Weibert presented an overview of his feed yard business which he stated has profited through the use of contracts in alliances with major packers. He stated that if **SB 590** were enacted he and others like him would lose their freedom to form partnerships or new ventures to link cattlemen directly to consumers. ([attachment 3](#))

Conferee Gardiner briefly reviewed his ranching business, cited statistical data relating to the beef industry over the years, and discussed the importance of value based pricing to meet consumer demands. He stated that if **SB 590** passes it will devastate the beef industry. ([attachment 4](#))

Conferee Bull presented an outline of several of his corporation's alliances and summarized five ways in which **SB 590** harms producers and processors. ([attachment 5](#))

Conferee Murray discussed the various methods producers are free to choose from when marketing their cattle and he stated that **SB 590** would “freeze how we market cattle.” He pled for the freedom to market beef in new ways to move the industry forward and respond to changing consumer demand without interference from the government. ([attachment 6](#))

Conferee Lyons briefly reviewed her family’s business as beef ranchers. She affirmed that the beef industry is in a state of transition and stated that beef producers survival depends on being able to creatively form new arrangements for marketing without legislation like **SB 590** which would impose unnecessary restrictions on producers to market their product. ([attachment 7](#))

Conferee Conway stated that **SB 590** would put his “producer driven alliance” out of business. He discussed his business and the success of it’s marketing techniques and stated that he was opposed to any government intervention to regulate cattle marketing. ([attachment 8](#))

Conferee Fuller reviewed **SB 590**. He presented an overview of the development of Farm Bureau’s public policy and discussed conflicts between the bill and Farm Bureau policy. He stated Farm Bureau will be conducting an in-depth study of packer ownership of livestock, the results of which will be available in 2001. He also discussed the enactment of a federal law on mandatory price reporting and the USDA’s development of rules and regulations to implement this law stating that this new program needs to be given time to work. ([attachment 9](#))

Conferee Jensen briefly reviewed the pork producers history regarding legislation prohibiting packer ownership and discussed their stance on this issue today. He stated that while initially they approved of the prohibition they have now reversed that stance and he explained why. He called for freedom to make informed choices without government intervention. ([attachment 10](#))

The meeting adjourned at 11:00 a.m. The next scheduled meeting is March 13, 2000.