

**MINUTES**

**MONTANA SENATE  
57th LEGISLATURE - REGULAR SESSION  
COMMITTEE ON AGRICULTURE, LIVESTOCK AND IRRIGATION**

**Call to Order:** By **CHAIRMAN RIC HOLDEN**, on January 31, 2001 at 3:00 P.M., in Room 422, Capitol.

**ROLL CALL**

**Members Present:**

Sen. Ric Holden, Chairman (R)  
Sen. Pete Ekegren, Vice Chairman (R)  
Sen. Mike Halligan (D)  
Sen. Greg Jergeson (D)  
Sen. Walter McNutt (R)  
Sen. Arnie Mohl (R)  
Sen. Linda Nelson (D)  
Sen. Gerald Pease (D)  
Sen. Jon Tester (D)  
Sen. Tom Zook (R)

**Members Excused:** Sen. Corey Stapleton (R)

**Members Absent:** None.

**Staff Present:** Laramie Cumley, Committee Secretary  
Doug Sternberg, Legislative Services

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

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 196 1/10/01  
Executive Action: none

**HEARING ON SB 196**

**Sponsor:** SEN. JON TESTER, SD 45, BIG SANDY

**Proponents:** Bob Gilbert, Montana Woolgrowers Association  
Gilles Stockton, Northern Plains Resource Council  
Carol Lambert, Women Involved in Farm Economics  
Bobbi Levine, R-CALF

**Don Taylor, Campaign to Reclaim Rural America**  
**Noel Keogh, Beartooth Stock Association**  
**Christian Mackay, Natural Meats Montana**  
**Dan Teigen, Northern Plains Resource Council**  
**Art Loendorf, Montana Farmers Union**  
**Don Judge, Montana AFL-CIO**  
**Lauran Dundee, Northern Plains Resource Council**  
**Nancy Schlepp, Montana Farm Bureau**  
**John Bloomquist, Montana Stockgrowers Association**  
**Betty Whiting, Montana Association of Churches**

**Opponents:**

**Bill Stevens, Montana Food Distributers Association**  
**Charles Brooks, Billings Chamber of Commerce**

**Opening Statement by Sponsor:**

**SEN. TESTER** opened SB 196 by explaining that the bills amendments would change the responsible department from the Department of Commerce to the Department of Health and Human Services and also section two was deleted. **EXHIBIT (ags25a01)** He stated that the intent of this, is to give small businesses an advantage in the market place. He also discussed penalties and that if stores do not want to label products as being from Montana, they may be labeled "country of origin unknown".

**Proponents' Testimony:**

**Bob Gilbert** testified that this is a good idea and he stood in support of SB 196.

**Gilles Stockton** presented written testimony. **EXHIBIT (ags25a02)**

**Carol Lambert** also expressed her support for this bill.

**Bobbi Levine** presented written testimony. **EXHIBIT (ags25a03)**

**Don Taylor** presented written testimony. **EXHIBIT (ags25a04)**

**Noel Keogh** submitted written testimony. **EXHIBIT (ags25a05)**

**Christian Mackay** stated that this bill would assist Montana value added agricultural businesses and he supported that.

**Dan Teigen** presented written testimony. **EXHIBIT (ags25a06)**

**Art Loendorf** expressed concern associated with consumer interest and cost. He stood in support of the bill.

**Don Judge** presented a resolution, petition and a statement from Montana State AFL-CIO. **EXHIBIT (ags25a07)** **EXHIBIT (ags25a08)** **EXHIBIT (ags25a09)** He touched on the highlighted items. He also explained the reduction of beef consumption because of mad cow disease in Germany.

**Lauran Dundee** stated that SB 196 would give consumers the right to know what they are eating.

**Nancy Schlepp** shared statistics that she had found stating that 1000 people were pooled together and of those people, 86% of the women favored country of origin labeling and also 78% of men. **Ms. Schlepp** stated that the majority of them said that they would pay more for the products that they knew were healthy and safe. She also quoted an Idaho Representative by saying that 22% beef, 40% lamb and 2% of the pork comes from foreign countries yet it is still stamped USDA approved.

**John Bloomquist** supported the bill, although to make the program work, the federal government would need to be involved.

**Betty Whiting** expressed her support for the bill by stating that "food unites us all" and this will help support family farms.

#### Opponents' Testimony:

**Bill Stevens** addressed the concerns for food distributors increased costs to label products. He stated that more employees would need to be hired just to label all of the produce. He also stated that this cost increase for labor, will increase the cost of products. He presented a picture to the committee.

#### **EXHIBIT (ags25a10)**

Mr. Stevens stated that these products can already be labeled and that most of our products come from out-of-state and these companies can not be required to change their labeling.

**Charles Brooks** suggested amending out the produce section because it is less expensive to label beef and this would affect the retailer.

#### Questions from Committee Members and Responses:

**SEN. MIKE HALLIGAN** questioned the programs such as NAFTA and asked **SEN. TESTER** if he knew about what other states were doing in regard to these programs. **SEN. TESTER** stated that he was unsure of other states' programs except Florida. He stated that Florida has labeled for years and that Montana should take the lead in this issue by getting the federal governments attention to realize that this is a federal issue.

**SEN. HALLIGAN** asked how this program was going to work if Montana beef needs to be sent out-of-state because there are no packing plants in Montana. He also asked how these products were going to be tracked. **SEN. TESTER** replied people can only ask the packing plants to segregate and if they do not then those products would be labeled country of origin unknown. **Gilles Stockton** said that hamburger is co-mingled from other countries and that Montana has no jurisdiction out-of-state.

**SEN. TESTER** stated that there are some small packing plants in Montana and this bill would help them to become more significant and therefore produce a better Montana market.

**SEN. PETE EKEGREN** asked why produce was included in the bill. He noted concern with language of the bill saying that products needed to be labeled before entering Montana and also concerns with every item labeling. **SEN. TESTER** stated that produce, as well as grain, is important.

**Gary Golihan** commented on labeling of and the poor industry of sugar beets. He described a company in Montana which has gone bankrupt and therefore, the farmers are financial burdened. He then described another company in Great Falls, which he feels is not producing 100% Montana grain because he sees Alberta trucks doing business with this mill. **Mr. Golihan** stated that this bill is critical in these two examples.

**SEN. RIC HOLDEN** asked **Mr. Mackay** about his business, if he was packaging in Montana, where the products were sold and produced, and if the products were stamped with the USDA approved stamp.

**SEN. HOLDEN** also questioned the status of other Montana packing plants. **Christian Mackay** stated that his business consists of a small group of producers, although some feeding and finishing of cattle is conducted out-of-state, the cattle then return to Laurel Montana to be packaged. There is also packaging done in Butte, Polson and Malta. He stated that these products are then sold to stores, distributors, and restaurants even though this business is not a commercial packing plant. **Mr. Mackay** commented that there are a handful of packing plants in Montana and that in the future, he would like cattle feeding to be returned to Montana. He stated that guidelines are set and enforced by the USDA and then stamped with the USDA seal.

**SEN. HOLDEN** asked how the cattle were tracked from Montana to another state and back to Montana. **Christian Mackay** stated that they have people who feed only their cattle, but regular cattle ear tags are being upgraded to electronic ear tags to track.

**SEN. HALLIGAN** questioned the effective date of the bill and the definition of blending products in the bill. **SEN. TESTER** stated that if a product is blended, it is no longer a Montana product.

**SEN. HOLDEN** asked **Mr. Mackay** how hard it is to label his products. **Mr. Mackay** stated that this would not be a problem.

**SEN. HOLDEN** asked about tracking of cattle. **John Bloomquist** stated that with the upgraded technology, anything is possible.

**Noel Keogh** commented that electronic tags have a code. He said when the product is brought to the packing plant, the code is read and transferred to "the rail" and that information follows the product through the rail to the box.

**Closing by Sponsor:**

**SEN. TESTER** closed SB 196 by explaining that the concerns discussed are not with Montana products, but with products from out-of-state and even out-of-country. He stated that the market identity of Montana says that the best beef, and the best grains are produced here and this identity needs to be preserved and used. The intent of this bill is to produce more money for Montana agriculture producers.

**ADJOURNMENT**

Adjournment: 5:00 P.M.

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SEN. RIC HOLDEN, Chairman

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LARAMIE CUMLEY, Secretary

RH/LC

**EXHIBIT (ags25aad)**