



Since 1894

Date: February 2, 2023

Re: **SB 60 AN ACT providing a sales tax exemption for custom meat processing services.**

Position: Proponent, Oral

From: Taylor Nikkel, Director of Stockgrowers Division, Kansas Livestock Association

To: Senate Committee on Assessment and Taxation
Sen. Caryn Tyson, Chair

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 5,700 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf, and stocker cattle production; cattle feeding; dairy production; swine production; grazing land management; and diversified farming operations.

Thank you, Madam Chair, and members of the Committee for the opportunity to present KLA's views on SB 60. KLA stands in support of SB 60 as an opportunity to expand meat processing and packing facilities.

Custom meat processing is a significant economic contributor to many communities across the state. Over the past few years there was a significant increase in demand for locally raised and processed meat products. Due to an increase in demand, there was a subsequent increase in the price of services to process and package beef and other meat products. In addition to these price increases there were also delays in availability to get animals into local meat processors.

KLA membership established policy in 2022 following a 2020 study which found that the beef industry could economically accommodate an additional 5,600 head of daily processing capacity. Processors in the industry also face significant barriers when expanding or entering the marketplace. KLA is supportive of initiatives and legislation, such as SB 60, that contribute to new construction and expansion of meatpacking facilities to achieve and maintain necessary packing capacity levels.

KLA appreciates the opportunity to appear as a proponent of SB 60. We ask that the Committee recommend the bill favorable for passage when it works the bill.