

Testimony before Senate Agriculture & Natural Resources Committee
HB 2464 – clarifying amendment to Kansas Egg Law
Mike O’Neal, Walmart
Testimony in support

March 12, 2020

Mr. Chairman and members of the Committee:

Thank you for the opportunity to appear on behalf of Walmart in support of HB 2464. Walmart, the largest retailer in America, serves over 160 million customers each week. Walmart has a unique vantage point for the experiences of American consumers as 90% of Americans live within 10 miles of their stores. Counting supercenters, discount stores, neighborhood markets and Sam’s Clubs, Walmart has over 80 retail units in Kansas, employing over 20,000 associates and collecting on behalf of the state over \$375M in taxes. A key component of its retail business involves in-store grocery sales as well as in-home delivery and grocery pickup.

HB 2464 clarifies amendments to the Kansas Egg Law added in 2018; in particular, the provisions dealing with the repacking of eggs by retailers. The need for repacking occurs when a carton is damaged or is found to have one or more dirty or broken eggs. In that event, eggs may be repacked. Eggs must meet Grade B requirements or higher to qualify and eggs may be graded higher than Grade B if certain enumerated requirements are met, including where undamaged eggs from damaged containers are placed only into containers with the same distributor and packer information and eggs with undamaged shells are handled and repacked employing good manufacturing practices in accordance with federal regulations.

HB 2464 would align Kansas provisions with USDA regulations for the repacking of eggs. Walmart’s egg lot consolidation process has been approved and meets USDA requirements. Under the current law, as written, there are labelling and record-keeping requirements that apply not only to Grade B eggs, but the higher grades as well; i.e., those commonly sold in retail grocery outlets.

HB 2464 would clarify the law and appropriately apply the current law’s labeling and reporting provisions only to those eggs that cannot be graded higher than Grade B. Grade B eggs

are rarely sold in stores and are commonly used for commercial liquid and powdered egg products. Walmart and other major retailers do not sell Grade B eggs.

Walmart worked with the Kansas Department of Agriculture to come up with clarifying language that addressed retailers' concerns over the labelling and records provisions while retaining KDA's legitimate interest in protections relating to Grade B eggs. HB 2464 is the product of discussions and consensus reached with KDA. We wish to thank Ken Titus and Adam Inman with the Kansas Department of Agriculture for their willingness to work with us and come up with mutually acceptable language.

Walmart and Sam's Club are committed to providing customers with safe, quality foods and they have strict lot consolidation policies in place to provide safe, quality eggs. On behalf of Walmart, thank you and I'd be happy to stand for questions, Mr. Chairman.