

SENATE BILL REPORT

ESB 5514

As Passed Senate, March 6, 1997

Title: An act relating to authorizing fees for commodity commissions and the department of agriculture.

Brief Description: Authorizing fees for commodity commissions and the department of agriculture.

Sponsors: Senators Morton, Rasmussen and Swecker; by request of Department of Agriculture.

Brief History:

Committee Activity: Agriculture & Environment: 2/13/97 [DPA].
Passed Senate, 3/6/97, 48-0.

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

Majority Report: Do pass as amended.

Signed by Senators Morton, Chair; Swecker, Vice Chair; Fraser, McAuliffe, Newhouse, Oke and Rasmussen.

Staff: Bob Lee (786-7404)

Background: Initiative 601 was approved by the voters at the November 1993 general election. Section 8 provides that no fee may increase in any fiscal year by a percentage in excess of the fiscal growth factor without prior legislative approval.

Commodity commission enabling statutes provide a procedure for the establishment of a grower-funded commission to conduct advertising or production research for the benefit of the growers of that commodity. Various commodity commission statutes contain different requirements for producers to approve an increase in assessment.

Summary of Bill: The Dry Pea and Lentil Commission is authorized to increase its assessment from the current rate of 1 percent up to 2 percent. Prior to the increase becoming effective, producers have to approve the increase through a referendum process.

The Farmed Salmon Commission is authorized to increase its assessment on the first 10 million pounds produced collectively by the industry. The assessment rate increases from the current 1 cent per pound up to 1 1/2 cents per pound. Prior to the increase becoming effective, farmed salmon producers have to approve the increase through a referendum process.

The Wheat Commission is authorized to increase its assessment from 1/2 percent of net receipts to 1 percent. A referendum vote of wheat producers is required before the assessment increase may go into effect.

The Soft Tree Fruit Commission is authorized to increase its assessment rate to a maximum of \$18/ton, except the rate for cherries may be increased to a maximum of \$30/ton. For pear growers, a referendum is required before the increase may go into effect. For other soft fruits, such as cherries, peaches, apricots, nectarines, plums, and Italian prunes, a supportive vote in writing of two-thirds of the state commodity committee is required.

An increase is authorized for fees to administer the organic food certification program. Such fees are approved through the adoption of a rule by the Department of Agriculture.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: An increase in the funding of the organic food certification program is needed because of a large increase in the number of new producers and processors that are growing organic food products. Also, there is an increase in the complexity in the program together with increased demand for information. The increased revenue will provide for increased compliance and thus greater consumer confidence in organically grown products.

Idaho growers have approved an increase in the assessment for dry peas and lentils effective July 1997. The increased revenue will fund research and market development programs and will replace declining federal dollars. Funding is also needed for residue testing for federal registration of crop protection chemicals.

The assessment increase on wheat is needed to offset the reduced federal dollars for wheat research. The assessment increase on farmed salmon is needed to provide additional funds for market promotion of farmed salmon which is facing increased market pressure from Chilean grown salmon. The Soft Fruit Commission indicated the increase in the assessment is needed to meet challenges in its work to maintain and expand domestic and international markets, and to be able to replace funds should federal marketing funds decrease.

Testimony Against: None.

Testified: Betsie DeWreede, farmer and Org. Adv. Board (pro).

House Amendment(s): Commodity commissions may increase fees by an amount that exceeds the fiscal growth factor without legislative approval if such fees are approved by a referendum of producers that will be paying the fee. This process is substituted for separate authority for specific commodity commissions to increase fees.

The annual license fee for grain warehouses is increased by \$150. The authority to increase fees for organic farm certification is retained.