

HOUSE BILL REPORT

HB 2864

As Reported by House Committee On:
Agriculture & Ecology

Title: An act relating to formation of an organic foods commission.

Brief Description: Adopting the Washington organic foods commission act.

Sponsors: Representatives Linville, Armstrong, Clements, Sump, Grant, Conway, Morell and Chase.

Brief History:

Committee Activity:

Agriculture & Ecology: 2/5/02, 2/8/02 [DPS].

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| <p>Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">· Authorizes the establishment of the Organic Foods Commission. |
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HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Linville, Chair; Hunt, Vice Chair; Cooper, Dunshee, Grant, Kirby and Quall.

Minority Report: Do not pass. Signed by 6 members: Representatives Schoesler, Ranking Minority Member; Chandler, Delvin, Holmquist, Roach and Sump.

Staff: Jason Callahan (786-7117).

Background:

Several commodity commissions are established in statute to help research and promote particular Washington agricultural products. These include the Washington Wine Commission, the Apple Advertising Commission, the Dairy Products Commission, and the Hardwoods Commission. These commissions elect their own governing board members and impose assessments on their members to finance activities deemed necessary. Many of these commissions impose an assessment on the organic producers of the product under that commission's purview.

Summary of Substitute Bill:

The director of the Washington Department of Agriculture (WSDA) is authorized to enter into marketing orders for organic foods. Marketing orders can be issued: 1) to establish plans and programs for the promotion of the organic food market in Washington; 2) to provide for research relating to organic foods; 3) to provide for improving standards, grades, and labeling requirements; and 4) to investigate and take action to prevent unfair trade practices.

The director may not issue a marketing order unless he or she has received a petition for its issuance that is signed by the lesser of 50 organic producers or 10 percent of all organic producers. Petitions can be filed with the WSDA for the issuance, amendment, or termination of a marketing order. All petitions must be accompanied by a \$100 filing fee. In addition, the petitioners must pay for all additional costs in excess of \$100 incurred by the WSDA in issuing the market order. After receiving the petition, the director must notify the affected producers, hold a public hearing, issue a recommended marketing order, consider comments to the recommended order, and issue a final order. The director may not approve the issuance of an order unless he or she finds that it is reasonably calculated to attain the objectives sought in the order, that the proposed order is in conformity with the applicable limitations, and that the interests of organic food consumers are protected.

After a marketing order is issued, the director must ascertain whether or not organic food producers assent to the order. An order is considered assented to if either 60 percent of the producers by number or total amount of assessments paid agrees.

The marketing order must define the area of the state covered, and must contain provisions for the establishment of the Organic Food Commission (the commission). The commission must have between 5 and 13 members, with the director of WSDA serving as an ex officio member. Commissioners are to serve three-year staggered terms, and must be at least 25 years old. Two-thirds of the commission are to be elected by the affected producers, with the remaining one-third being appointed by the commission. The elected members may be elected from districts, or generally from the area covered by the order, in accordance with the provisions of the marketing order.

Every producer of organic foods has levied against him or her an annual assessment determined by the commission for every dollar unit of organic products sold, processed, stored, or delivered for sale. The total annual assessment may not exceed 1 percent of the total market value of all affected units. The assessment collected by the commission may only be used to pay for the costs arising in connection with carrying out the provisions of the marketing order. Organic producers assessed by the commission are not required to pay the assessment levied by any other state agricultural commission. Failure to pay an assessment is a misdemeanor and a personal debt.

Substitute Bill Compared to Original Bill:

The substitute bill adds an intent section. This section recognizes that organic agriculture is an element in the overall agricultural regulatory environment, and that it serves the public's benefit.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Organic agriculture is a winning situation for all involved. It serves the environment better with no cost to the state. Sixty-five percent of all organic producers do not belong to a commodity commission, and this will serve as a platform for marketing, research and assistance. The agriculture market is becoming crowded, and the organic farmers need an organized voice based on their needs and the needs of the consumers. The needs of the organic farmer differ from the needs of a conventional grower. The current commodity commissions are willing to provide information, but not active marketing. This bill will put the organic farmers in charge of their marketing decisions.

Organic farming as an industry has trouble competing for research grants because it does not have an organization to assist it. This bill provides that necessary structure. A commission would create a funding pool to increase the ability to research organic techniques and pest management.

Testimony Against: This bill exempts organic farmers from the fees paid to the conventional commodity commissions. This decreases their effectiveness and creates confusion. Many current commodity commissions spend a lot of time and money researching and marketing organic products, and the net result of a commission just for organic products may be an overall reduction in this type of work.

Testified: (In support) Barbara Greene, Tilith Producers; Harold Ostensen, Organic Grower; Ray Fuller, Organic Grower; Eric Strandberg, Organic Grower; Jeff Boullion, Organic Grower; Bill Clark, Organic Grower; and Dave Case, Organic Grower.

(With concerns) Jim Halmstrom, Washington Horticultural Association; Leslie Emerick, Washington State Department of Agriculture; Miles McEvoy, Washington Department of Agriculture; Charlie Brown, Washington State Potato Commission; and Dave Ducharme, Yakima Growers and Shippers.