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**Agriculture & Ecology  
Committee**

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**HB 2773**

**Brief Description:** Revising standards for apple grades and requiring reports on the consignment sales of apples under the new standards.

**Sponsors:** Representatives Clements, Linville, Chandler and Grant.

**Brief Summary of Bill**

- - Requires standards for grades and packs of apples to be revised to provide uniformity.
- - Requires a system to be established for reporting on the sale prices of apples as those sales and prices are segregated by the variety, grade, and pack of apples sold and by the commission merchant making the sales.

**Hearing Date:** 2/7/02

**Staff:** Kenneth Hirst (786-7105).

**Background:**

State laws require the Director of Agriculture to establish standards and grades for apples, apricots, Italian prunes, peaches, sweet cherries, pears, potatoes and asparagus and allow the Director to establish them for other fruits and vegetables. (Chapter 15.17 RCW and RCW 15.17.050.)

With certain exceptions, no person may act as a commission merchant, dealer, broker, or cash buyer for agricultural commodities. or as the agent of any of them without being licensed under the state's commission merchant laws. A "commission merchant" is a person who receives an agricultural product on consignment for sale on commission on behalf of the consignor, or for processing and such a sale. It is also a person who accepts a farm product in trust from a consignor for the purpose of resale, or who sells on commission an agricultural product, or who in any way handles an agricultural product for a consignor. (RCW 20.01.010.)

## **Summary of Bill:**

Standards for Grades and Packs. The Director of Agriculture must revise the standards for grades and packs of apples to clarify the standards in such a way that they will be applied consistently among warehouses and commission merchants. The revisions must provide a level of uniformity that will ensure that the apples of a particular variety, grade, and pack sold from one warehouse will be the same as the apples of the same variety, grade, and pack sold from any other warehouse.

The Director is to invite a widely recognized grades and packs committee within the horticultural industry to recommend by consensus revisions to the standards that it believes will provide that uniformity. If the industry committee recommends the revisions by committee consensus by January 1, 2004, the Director must immediately initiate rule making and must give great weight to proposing and adopting the recommendations of the committee. If the committee does not, the Director must adopt revisions to the standards the Director believes will provide the uniformity by January 1, 2005.

Reporting of Sales. The Director must adopt by rule a system for reporting the sales of apples by variety, grade, and pack.

The Director is to invite an organization of growers that tracks and distributes information to its members regarding the sale prices of apples sold on consignment to design such a sales reporting system. The system must provide accurate reporting to apple growers and the apple industry on the sale prices of apples as those sales and prices are segregated by the variety, grade, and pack of apples sold under the revised standards and by the commission merchant making the sales. If such a system is designed by the organization by consensus within the organization by January 1, 2004, the Director must immediately initiate rule making and must give great weight to proposing and adopting the system designed by the organization. If the organization does not, the Director must adopt rules establishing such a system by January 1, 2005.

**Appropriation:** None.

**Fiscal Note:** Requested on February 3, 2002.

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