

SENATE BILL REPORT

SB 5891

As Reported By Senate Committee On:
Agriculture, March 4, 2003

Title: An act relating to livestock identification.

Brief Description: Identifying livestock.

Sponsors: Senators Swecker and Rasmussen.

Brief History:

Committee Activity: Agriculture: 2/25/03, 3/4/03 [DPS].

SENATE COMMITTEE ON AGRICULTURE

Majority Report: That Substitute Senate Bill No. 5891 be substituted therefor, and the substitute bill do pass.

Signed by Senators Swecker, Chair; Brandland, Vice Chair; Jacobsen, Rasmussen and Sheahan.

Staff: Bob Lee (786-7404)

Background: The federal Farm Security and Rural Investment Act of 2002 included requirements for country of origin labeling of many food products. Guidelines were to be issued by the Secretary of the United States Department of Agriculture by September 30, 2002. Regulations are to be promulgated by September 30, 2004. Beef is a covered commodity. Retailers may designate that beef is of United States origin if it is from an animal that is exclusively born, raised, and slaughtered in the United States.

Work is being done by a national task force looking at ways to establish a trace-back system for animal diseases. A national identification work plan has been developed by the National Food Animal Identification Task Force.

The Livestock Identification Program maintains the official recordings of approximately 7,000 livestock brands and protects cattle and horse owners by requiring inspection of livestock and related documents at mandatory inspection points to verify ownership. Approximately seven certified feedlots are licensed and their records are audited by the Department of Agriculture to verify cattle ownership. Approximately 12 public livestock markets are licensed and bonded to ensure producers receive timely and proper payments for livestock sold through those facilities. In 2001, approximately 660,000 cattle and 14,000 horses were inspected under the program.

The program is funded entirely by fees paid by the livestock industry. Most fees are set in statute. For a number of years, there have been issues that relate to the level of service and the distribution of fees among different segments of the industry.

The last major update of the Livestock Identification Program statutes and the public livestock market statutes was in 1959. The last overall updating of the certified feed lot statutes was when it was created in 1971.

Summary of Substitute Bill: The Department of Agriculture must form an advisory committee representing all major sectors of the livestock industry to which federal country of origin labeling apply. The committee must evaluate what mechanisms may need to be established by the public sector, the private sector, or both to comply with federal country of origin labeling requirements. The advisory committee must also evaluate the National Food Animal Identification Work Plan and any federal food safety and traceability requirements that may come as part of the homeland security measures. While livestock identification laws used for theft prevention are being updated, whether the current system will satisfy or will need to be adapted is to be considered. The Department of Agriculture holds meetings with the industry to develop an efficient strategy for addressing these issues.

Several fees that support the Livestock Identification Program are increased. These include fees paid by public livestock markets and certified feed lots, and fees for brand inspection and brand recording. The statutes for livestock identification, certified feed lots, and public livestock markets are updated.

A detailed explanation of the changes in the fee structure and statutory changes is available upon request to the committee.

Substitute Bill Compared to Original Bill: The proposed inspection fee is increase to 85 cents per head instead of 90 cents per head as proposed in the original bill. The certified feed lot license fee in increased to \$850 per year rather than \$900 per year as proposed in the original bill. The handling fee for feed lots is increased to 17 cents per head instead of 18 cents per head as proposed in the original bill. The advisory committee that is to examine issues relating to country of origin labeling, food safety and disease traceback is to provide a written report prior to the 2006 legislative session.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2003, except sections that deal with recording brands on a four-year cycle take effect January 1, 2004.

Testimony For: The fee schedule in this bill is sufficient to maintain a positive balance in the livestock identification account for at least two bienniums, whereas the fee schedules in the other two alternative bills are not. The revenue will be sufficient to restore brand inspections that were cut in 1998 due to lack of funds. The fees in this bill increase key fees paid by feed lots and cattlemen by a proportionate amount of 40 percent.

Testimony Against: Feed lots should pay the same inspection fees as the cattlemen and the certified feed lot program should be repealed. To be effective in deterring theft and to detect stolen livestock, inspections need to cover all cattle delivered into feed lots and processing

plants. Cattlemen are the ones who most want and benefit from the program, not the feeders, and thus cattlemen should pay for the program.

Testified: Rick Van de Graaf, Van de Graaf Ranches (con); Keith Pearce, Simplot Feeders (con); Bruce Matsumura, Washington Beef (con); Wendy Peay, WA Cattle Feeders (con); Mary Beth Lang, WSDA; Jay Gordon, Wash. State Dairy Fed. (pro).