

HOUSE BILL REPORT

HB 2073

As Reported by House Committee On:
Agriculture & Natural Resources

Title: An act relating to the beef commission.

Brief Description: Concerning the beef commission.

Sponsors: Representatives Dent and Buys.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 2/15/17, 2/16/17 [DP].

Brief Summary of Bill

- Directs the Washington State Beef Commission (Beef Commission) to take certain actions for the purpose of promoting the health of cattle.
- Directs the Beef Commission to take certain actions in order to improve the transparency of the Beef Commission's financial operations.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass. Signed by 14 members: Representatives Blake, Chair; Chapman, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chandler, Fitzgibbon, Lytton, Orcutt, Pettigrew, Robinson, Schmick, Springer, Stanford and J. Walsh.

Minority Report: Do not pass. Signed by 1 member: Representative Kretz.

Staff: Robert Hatfield (786-7117).

Background:

The Washington State Beef Commission (Beef Commission) is a nine-member board, eight of whom are appointed by the Director of the Department of Agriculture (Director), with the Director acting as the ninth member. Each commissioner serves a three-year term. The purpose of the Beef Commission is to fund beef promotion, research, and consumer

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education activities supporting Washington's beef industry. The Beef Commission is funded by a \$1.50 per head assessment on all cattle sold in the state. Of the \$1.50, \$1.00 stays in the state for local beef promotion, and \$0.50 is remitted to the national Cattlemen's Beef Board.

The Beef Commission is required to prepare a budget each year that covers the anticipated income and expenses to be incurred in carrying out the Beef Commission's statutory obligations.

The Beef Commission is directed to take such steps as are necessary to carry on programs that are beneficial to the beef industry.

Summary of Bill:

The primary focus of the Washington State Beef Commission (Beef Commission) includes the following responsibilities in descending order of priority:

- promotion of the beef industry in a manner that showcases the varied aspects of the industry;
- research and education related to health and disease control of beef, in cooperation with specified entities;
- support to the beef industry to establish marketing, grading, and standardizing of beef and beef products; and
- promotion of increased consumption of beef and beef products.

The duties of the Beef Commission are modified to include:

- the Beef Commission's annual budget must be detailed and explanatory;
- the steps that the Beef Commission is directed to take to carry on joint programs beneficial to the beef industry is expanded to include programs that are beneficial to the health of cattle;
- the Beef Commission must provide for programs designed to maintain healthy cattle throughout the industry; and
- the Beef Commission must provide for research related to health and disease control of beef and beef products, including grants to research agencies.

The Beef Commission's budget must set forth the complete and detailed financial program of the Beef Commission. The budget must explain any major changes to financial policy and must describe performance indicators that demonstrate measurable progress toward the Beef Commission's priorities. The budget must be sufficiently detailed to provide transparency for the Beef Commission's actions on behalf of the beef industry.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The increased oversight and increased accountability of the bill are helpful. This bill keeps a better eye on where the money is coming from and where it is going. There should not be an increase in the check-off fee. More oversight on brand inspection, and making sure all fees are coming in, should hopefully address the budget shortfall. The Beef Commission can meet their budget needs with just a little more scrutiny on income and expenditures.

(Opposed) None.

(Other) There are concerns with this bill having to do with narrowing or being too prescriptive with regard to the work of the Beef Commission; the Beef Commission should have the discretion to do what is best for the beef industry. The Beef Commission has membership from across the beef industry. Anything that sheds light on how money is being spent is a good thing. There may need to be a conversation about increasing the state assessment for the "inspection program," because with the check-off being on a per-head basis, with fewer head of cattle comes reduced revenues.

Persons Testifying: (In support) Representative Dent, prime sponsor; and Dave Dashiell, Cattle Producers of Washington.

(Other) Jack Fields, Washington Cattle Feeders Association.

Persons Signed In To Testify But Not Testifying: None.