

SENATE BILL REPORT

SSB 5487

As Passed Senate, March 7, 2011

Title: An act relating to eggs and egg products in intrastate commerce.

Brief Description: Regarding eggs and egg products in intrastate commerce.

Sponsors: Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Schoesler, Hatfield, Hobbs, Delvin, Honeyford, Becker and Shin).

Brief History:

Committee Activity: Agriculture & Rural Economic Development: 1/31/11, 2/17/11 [DPS].
Passed Senate: 3/07/11, 34-13.

SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5487 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hatfield, Chair; Shin, Vice Chair; Delvin, Ranking Minority Member; Becker, Haugen, Hobbs, Honeyford and Schoesler.

Staff: Bob Lee (786-7404)

Background: The Department of Agriculture (WSDA) administers the Wholesome Eggs and Egg Products Act. The stated purpose of this act is to promote uniformity of state legislation and regulation with the federal Egg Products Inspection Act. The act contains provisions for licensing, inspection, sanitation, pasteurization, and labeling.

Persons who commit violations are subject to civil penalties of up to \$1,000 per day per violation. Also, violations may be punishable as a misdemeanor for a first violation, or as a gross misdemeanor for a second or subsequent violation.

Summary of Substitute Bill: Effective on August 1, 2012, licensed commercial egg operations with over 3000 laying hens are required to submit proof that all eggs and egg products provided in intrastate commerce are produced in accordance with applicable 2011 United Egg Producers (UEP) Animal Husbandry guidelines for conventional cage systems or cage-free systems.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Effective on August 1, 2012, licensed commercial egg producers must submit proof that any cage systems installed after August 1, 2011, are approved by, or convertible to, the American Humane Association Facility System Plan for Enriched Colony Housing in effect on January 1, 2011.

The Director of Agriculture may update by rule either the 2010 UEP's guidelines or the American Humane Association's guidelines to a future year's version of those guidelines.

Egg products are included in the definition of egg handler and clarifies that egg products are exempt from assessments that egg handlers pay.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: None.

Effective Date: The bill takes effect on January 1, 2012.

Staff Summary of Public Testimony on Original Bill: PRO: Egg producers produce mostly conventional eggs but also produce cage-free eggs and organic eggs. There is not enough consumer demand to expand cage-free eggs or organic eggs and when excess quantities of these higher cost eggs are produced, they are sold at a loss. In state producers have to compete with eggs produced in other states. Using common standards puts everyone on a level playing field. Eggs are also exported to Taiwan and Japan, and Washington egg producers have to compete with other suppliers for this market. The industry decided to be proactive and pursue legislation to address animal welfare concerns after negotiations broke down with an animal welfare organization. Using the legislative process allows issues to be aired and addressed and is preferable to the initiative process where no improvements can be suggested. UEP standards incorporate the recommendations of a science panel who studied the issue. This proposal requires all egg producers to meet these standards to start with, and then provides for agency rulemaking to transition to higher standards. Some chickens naturally peck other chickens regardless whether they are in a cage or cage-free system.

CON: To fund this program will require an increase in the egg inspection fee. Current space requirements in the UEP standards are not sufficient and do not allow birds to spread their wings and exercise. Chickens in close areas are more fearful of other pecking hens. It would cost about \$0.01 per egg to convert.

Persons Testifying: PRO: Kiasa Kuykendall, Stiebrs Farms, Inc.; Greg Satrum, Willamette Egg Farms; Brian Bookey, National Food Coop; Holly Chisa, NW Grocery Assn.; Dan Wood, Washington State Farm Bureau; Dan Coyne, NW Food Processors Assn.

CON: Kirk Robinson, WSDA; Jennifer Hillman, The Humane Society of the United States.