

SENATE BILL REPORT

SB 6382

As Reported by Senate Committee On:
Agriculture, Water, Natural Resources & Parks, January 30, 2020
Ways & Means, February 11, 2020

Title: An act relating to state-inspected commercial custom meat facilities.

Brief Description: Concerning state-inspected commercial custom meat facilities. [**Revised for 2nd Substitute:** Creating the meat and poultry processing and marketing assistance program.]

Sponsors: Senators Ericksen and Takko.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/28/20, 1/30/20 [DPS-WM].

Ways & Means: 2/05/20, 2/11/20 [DP2S, w/oRec].

Brief Summary of Second Substitute Bill

- Creates the meat and poultry marketing assistance program within the Department of Agriculture (WSDA), providing service to small and mid-size farms.
- Directs WSDA to work with USDA to negotiate a cooperative agreement in order to operate a state inspection program.
- Directs WSDA to collect data and report on meat and poultry processing facility needs and information related to the negotiations to enter into a cooperative agreement with USDA.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Majority Report: That Substitute Senate Bill No. 6382 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Van De Wege, Chair; Salomon, Vice Chair; Warnick, Ranking Member; Honeyford, McCoy, Rolfes and Short.

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.

Staff: Karen Epps (786-7424)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6382 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Becker, Carlyle, Conway, Dhingra, Hasegawa, Hunt, Keiser, Liias, Muzzall, Pedersen, Rivers, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

Minority Report: That it be referred without recommendation.

Signed by Senators Billig and Darneille.

Staff: Jed Herman (786-7346)

Background: Washington State Department of Agriculture. WSDA Animal Health Program is charged with protecting animals and the public from communicable animal diseases. The WSDA Food Safety Program licenses custom meat businesses to slaughter or process uninspected meat food animals such as cattle, sheep, goats, and swine for the sole consumption of the owner.

Custom Meat. Custom farm slaughterers, custom slaughtering establishments, and custom meat facilities must be licensed by WSDA. Before issuing any license to operate as a custom farm slaughterer, custom slaughtering establishment, and a custom meat facility, WSDA must inspect the facility and equipment. Custom farm slaughterers are mobile slaughter units to prepare meat food animals for the consumption of the owner of the animals, done on the owner's farm or at an approved site. A custom slaughtering establishment is a fixed facility to slaughter meat food animals for the owner. A custom meat facility is a facility operated by a person licensed to prepare uninspected meat for the sole consumption of the owner. Operators of custom meat facilities may also prepare and sell prepared inspected meat to household users only, but the inspected meat must be kept separate from the uninspected meat and preparation must be done at different times. Operators of custom meat facilities may also sell prepackaged inspected meat to any person.

Summary of Bill (Second Substitute): The meat and poultry processing and marketing assistance program is created to assist small and mid-size farms in exploring options to expand capacity for processing meat or meat and poultry for sale and direct marketing efforts. In carrying out this duty, the program must:

- assist farms in complying with federal, state, and local rules and regulations as they apply to direct marketing of meat and poultry products;
- assist in developing infrastructure including, but not limited to, custom meat facilities, slaughter facilities inspected by USDA, and slaughter facilities inspected by WSDA under a cooperative agreement with USDA as appropriate to increase direct marketing opportunities for farms;
- provide information on direct marketing opportunities for farms;
- identify and help reduce market barriers facing farms in direct marketing;

- assist in developing and submitting proposals to grant programs to assist farm direct marketing efforts; and
- perform other functions that will assist farms in directly marketing their meat and poultry products.

WSDA must work with USDA to negotiate a cooperative agreement in order to operate a state inspection program. WSDA must collect data on program activities, including information related to meat and poultry processing facility needs and information related to those negotiations, and report to the Legislature by December 31, 2020.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute):

- Changes the bill to a meat and poultry marketing assistance program within WSDA, providing service to small and mid-size farms. Assistance includes compliance with regulations, facility development considerations, information on direct marketing, identifying and reducing barriers to direct markets, grant proposals, and other functions for direct marketing.
- Requires WSDA to work with USDA to negotiate a cooperative agreement in order to operate a state inspection program.
- Gives direction for WSDA to collect data and report on meat and poultry processing facility needs and information related to the negotiations to enter into a cooperative agreement with USDA.

EFFECT OF CHANGES MADE BY AGRICULTURE, WATER, NATURAL RESOURCES & PARKS COMMITTEE (First Substitute):

- Allows WSDA to enter into a cooperative agreement with the USDA in order to operate the meat and poultry inspection program.
- Provides that a meat and poultry inspection program should be established in the state that is at least equal to programs imposed under the Federal Meat Inspection Act, Poultry Products Inspection Act, and the Humane Slaughter Act.
- Allows WSDA to enter into a cooperative interstate shipping program agreement to allow establishments licensed under the meat and poultry inspection program to ship products out of state.
- Requires WSDA to do inspections, establish sanitary standards, establish identification requirements, and set labeling provisions.
- Requires WSDA to adopt rules to administer the program.
- Removes the state-inspected commercial custom meat facilities provisions.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill (Agriculture, Water, Natural Resources & Parks): *The committee recommended a different version of the bill than what was heard.* PRO: This bill will allow a person who lives in the city to buy their beef products from a rancher in their own county. Currently, the only way to purchase beef from a rancher would be to buy a cow or a share of a cow. This bill allows a slaughterhouse to custom package beef, chicken, or pork for sale directly to the customer. This bill is great for the farmer who is able to sell product at a higher price and for the customer who wants to know exactly what they are getting. There are a number of states that already allow for state-inspected facilities to allow a farmer to bring in an animal for slaughter and then sell the meat. This bill will open up new markets for farmers and ranchers. The disadvantage of selling half a pig or a quarter of a pig is freezer space and the meat is labeled not for sale, so it cannot be given to someone else since it is not inspected. This bill serves the needs of the majority of farmers who are running fewer than 100 cows and is perfect for smaller producers that want to provide this option in their communities.

OTHER: USDA has preempted state meat inspection, unless the state has a cooperative agreement with USDA. The state will need to go through the full USDA process and cover everything the USDA requires in a state program, including inspection, sampling, humane handling, consumer protection, food safety, and financial accountability. The bill could require WSDA to work through that process in order to get approval. Currently there are five USDA slaughter facilities in Washington. This legislation provides continued growth in the cottage industry by providing custom harvesting and packaging of meat. There was a 7 percent increase in registered farmers markets between 2013 and 2018 due in part to growth in the cottage food industry, but ancillary services to support them, including custom meat processing, also needs to grow. Custom meat packaging operations provide customers the opportunity to track their meal from hoof to plate and build relationships by offering a direct link between the food product and consumers.

Persons Testifying (Agriculture, Water, Natural Resources & Parks): PRO: Senator Doug Ericksen, Prime Sponsor; Mark Streuli, Washington Cattlemen's Association; Tom Davis, Washington Farm Bureau; Allen Ostrander, citizen.

OTHER: Evan Sheffels, Washington State Department of Agriculture; Pam Lewison, Washington Policy Center, Agriculture Research Director.

Persons Signed In To Testify But Not Testifying (Agriculture, Water, Natural Resources & Parks): No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: Cattlemen's Association is in full support. The bill will help small producers. This bill will help the majority of the 8000 farmers who raise livestock. We could right size the program to reduce the fiscal costs and still help the small producers.

OTHER: We know there is a demand for this kind of policy. We can learn from other states with similar sized programs to help develop one here in Washington.

Persons Testifying (Ways & Means): PRO: Mark Streuli, Washington Cattlemen's Association; Tom Davis, Washington Farm Bureau.

OTHER: Evan Sheffels, Washington State Department of Agriculture.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.