SENATE BILL REPORT SB 5474

As Reported by Senate Committee On: Agriculture & Natural Resources, February 20, 2025

Title: An act relating to expanding opportunities for organic, regenerative, climate-smart, and sustainable producers.

Brief Description: Expanding opportunities for organic, regenerative, climate-smart, and sustainable producers.

Sponsors: Senators Liias, Muzzall, Chapman, Hasegawa, Nobles and Stanford.

Brief History:

Committee Activity: Agriculture & Natural Resources: 2/03/25, 2/20/25 [DPS-WM].

Brief Summary of First Substitute Bill

- Directs the Washington State Department of Agriculture to develop an Organic Agriculture Action Plan.
- Allows for the modification of the organic certification fee schedule to decrease the financial burden of organic certification.

SENATE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Staff: Elena Becker (786-7493)

SENATE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: That Substitute Senate Bill No. 5474 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Chapman, Chair; Krishnadasan, Vice Chair; Short, Ranking Member; Liias, Muzzall, Saldaña, Schoesler, Shewmake and Wagoner.

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

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Background: Organic Agriculture. The National Organics Program is operated by the United States Department of Agriculture (USDA) and regulates the standards required to label a product as certified organic. To sell, label, or represent products as organic, operations must follow all specifications set out by the USDA organic regulations, including being certified by a USDA accredited certification agency.

The State Organics Program, administered by the Washington Department of Agriculture (WSDA), is accredited as a certification agency by USDA. The State Organics Program provides certification to Washington State businesses that grow organic and transitional crops, raise certain organic livestock, and handle and process organic crops and products. There are five steps to obtain organic certification, including:

- the operation completes an application and develops an Organic System Plan (OSP);
- the operation implements the OSP, and the certifier reviews the OSP;
- the certifier's inspector completes an onsite inspection of the operation to evaluate the implementation of the OSP and the operation's compliance with the USDA organic regulations;
- the certifier reviews the inspection report; and
- the certifier decides whether to grant certification to the operation.

A certified operation must annually submit an updated OSP and fees to its certifier and certifiers must inspect the operation to determine whether to continue the operation's organic certification.

WSDA may adopt rules for certifying producers, processors, and handlers as meeting state, national, or international standards for organic or transitional products. The rules must include a fee schedule and fees must cover the full cost of the State Organics Program.

Summary of Bill (First Substitute): Organic Agriculture Action Plan. The WSDA is directed to develop an Organic Agriculture Action Plan, including recommendations on:

- barriers to achieving organic certification;
- opportunities to expand organic markets and acreage;
- opportunities to support job creation and retention in the organic sector, emphasizing entry to organic farming by youth; overburdened communities; and black, indigenous, and other people of color;
- inventorying and identifying gaps in existing extension, training, and technical resources;
- ways to improve organic infrastructure and partnerships between organic producers, processors, and distributors; and
- identifying data sources and data collection opportunities to quantify the benefits and impacts of organic and regenerative farming on eight topics.

The WSDA is further directed to consider the work and recommendations of the

Washington Soil Health Initiative, include recommendations for action, and report to the Legislature by June 1, 2027.

<u>Organic Certification Fees.</u> The fee schedule may be modified to the extent that funds are appropriated to WSDA for the specific purpose of reducing fees to decrease the financial burden to achieve or maintain organic certification.

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

- Removes the microgrant program.
- Removes the requirement that the organic agriculture action plan identify ways to improve partnerships between organic producers and financial institutions.
- Removes intent language concerning the effects of certain agricultural practices.

Appropriation: The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

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: The committee recommended a different version of the bill than what was heard. PRO: There is consumer demand for organic products, and investments in organic products protect the environment, shoppers, farmworkers, and farmers. The organic sector in Washington has the potential to grow significantly, but it is not simple to adopt organic practices and more technical support is needed.

Forty percent of organic farmers include conventional acreage in their production, it is positive that this bill allows for split operations. This is a valuable opportunity for Washington to generate hard data about consumer demand for healthy food.

Farm expenses are blooming, labor availability is stalling, and farmers are aging out. Federal funding for organic farming has decreased recently. It is important for the state to fill that gap.

Tribally owned and operated businesses are often excluded from grant applications that prioritize nonprofits or cap gross sales.

Persons Testifying: PRO: Senator Marko Liias, Prime Sponsor; Maynard Mallonee, Mallonee Family Farm Llc; Charles Benbrook, Self; Benbrook Consulting Services; Mike

Dill, Coalition for Organic and Regenerative Agriculture (CORA); Melissa Spear, Tilth Alliance; Matt Steinman, Foothills Farm; Councilman Jeremy Takala, Yakama Nation Tribal Council; Bonny Jo Peterson.

Persons Signed In To Testify But Not Testifying: No one.

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