

WSR 25-10-098
PROPOSED RULES
DEPARTMENT OF AGRICULTURE
[Filed May 7, 2025, 8:07 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 23-21-090.

Title of Rule and Other Identifying Information: Chapter 16-303 WAC, Seed assessment, fees for seed services and seed certification.

Hearing Location(s): On June 24, 2025, at 1:00 p.m., via Microsoft Teams at [https://teams.microsoft.com/l/meetup-join/19%3ameeting_OTdlZjczZmMtNTJmOS00NGIxLTkzNzktM2QzZTFkMjcwZGU0%40thread.v2/0?](https://teams.microsoft.com/l/meetup-join/19%3ameeting_OTdlZjczZmMtNTJmOS00NGIxLTkzNzktM2QzZTFkMjcwZGU0%40thread.v2/0?context=%7b%22Tid%22%3a%2211d0e217-264e-400a-8ba0-57dcc127d72d%22%2c%22Oid%22%3a%22838c55c7-c187-44ae-8de0-2be684ce5d4a%22%7d)

Meeting ID 288 767 947 492 1, Passcode 3MM9P985; or dial by phone +1 564-999-2000,,790995666# United States, Olympia.

Date of Intended Adoption: July 1, 2025.

Submit Written Comments to: Gloriann Robinson, Rules Coordinator, P.O. Box 42560, Olympia, WA 98504-2560, email wsdarulescomments@agr.wa.gov, fax 360-902-2092, by June 24, 2025.

Assistance for Persons with Disabilities: Contact Timothy Estes, division operations analyst, phone 360-902-1931, fax 360-902-2085, TTY 800-833-6388, email timothy.estes@agr.wa.gov, by June 17, 2025.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department of agriculture (department) certifies, inspects, samples, tests, and analyzes agricultural, vegetable, or flower seed sold or offered for sale in Washington state. The department designated the Washington State Crop Improvement Association (WSCIA) as the director's duly authorized agent for the purpose of certifying seed of buckwheat, chickpeas, field peas, lentils, millet, soybeans, small grain, and sorghum in WAC 16-302-010. WSCIA funds the cost for certifying these seed crops through the collection of fees in WAC 16-303-340.

The department is considering amending this chapter to:

- Increase the following fees under WAC 16-303-340 [(1)](a), (e), and (g):
 - Application fee per variety per grower from \$25 to \$100.
 - Special field inspection fee per acre from \$2.60 to \$4.15.
 - Late application fee from \$50 to \$200.
 - Minimum reinspection fee from \$45 to \$100.
- Add the new crop "quinoa" to the title of WAC 16-303-340.

Reasons Supporting Proposal: Overhead costs for providing these services have risen dramatically over the last several years; however, the fees in this section have not been revised since 2012. After a thorough budget review, the WSCIA board of directors have determined that they cannot continue to provide certifying services at the current fee rate and must revise the fees in this section to more accurately recover the cost for these services. In order for the agency to continue providing certifying services, the fees in this section must be revised to more accurately recover the cost for these services. The department has determined that the proposed changes are necessary based upon the requirements and conditions of the industry and will serve to promote the well-being of purchasers and users of seed as well as members of the seed industry.

Statutory Authority for Adoption: RCW 15.49.005, [15.49].310, and [15.49].370.

Statute Being Implemented: Chapter 15.49 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: WSCIA, public.

Name of Agency Personnel Responsible for Drafting: Timothy Estes, 1111 Washington Street S.E., Olympia, WA 98504, 360-902-1931; Implementation and Enforcement: Paula Lundt, 21 North 1st Avenue, Suite 203, Yakima, WA 98902, 509-314-1032.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. The department is not a listed agency under RCW 34.05.328 (5)(a)(i).

Scope of exemption from rule proposal from Regulatory Fairness Act requirements:

Is not exempt.

The proposed rule does impose more-than-minor costs on businesses.

Small Business Economic Impact Statement

Chapter 16-303 WAC

Seed Assessment, Fees for Seed Services and Seed Certification

April 2025

SECTION 1:

Describe the proposed rule, including: A brief history of the issue; an explanation of why the proposed rule is needed; and a brief description of the probable compliance requirements and the kinds of professional services that a small business is likely to need in order to comply with the proposed rule: WSCIA is a 501 (c)(5) nonprofit organization that works with Washington State University, Oregon State University, and other public and private breeding programs, seed growers, and conditioners to develop, produce, and distribute certified seed to improve crop quality and yields in Washington. WSCIA is designated in WAC 16-302-010 to act as the director's duly authorized agent for the purpose of certifying seed of buckwheat, chickpeas, field peas, lentils, millet, quinoa, soybeans, small grain (including quinoa), sorghum, and forest trees, including conditioning plant inspections for these crops. As part of these duties, WSCIA routinely reviews the certification rules for these crops, and petitions for changes that reflect the requirements and conditions of the industry, as well as promote the well-being of the purchasers and users of seed and the members of the seed industry. This rule amendment proposes revisions to chapter 16-303-340 WAC that address fees collected by WSCIA for field inspections.

The department is an official Association of Seed Certifying Agencies (AOSCA) program dedicated to preserving genetic purity and varietal identity of seeds. The mission of AOSCA is to promote and facilitate the movement of seed or plant products in local, national, and international markets through the coordinated efforts of official seed certification agencies acting to evaluate, document, and verify that a seed or plant product meets certain accepted standards. Additionally, AOSCA establishes minimum standards for genetic purity and identity and recommends minimum standards for seed quality for the classes of certified seed. They standardize seed certification regulations and procedures, as well as operational procedures in interagency seed certification, and they periodically review agency genetic stand-

ards and procedures to assure compliance with the Federal Seed Act. By maintaining these strict standards and inspection procedures, AOSCA programs help promote widespread agricultural marketability, productivity, and sustainability.

Why the rule change for WAC 16-303-340 is needed: Beginning in 2022, WSCIA staff and its board of directors have been assessing the need for possible fee increases to account for rising operational costs (including web portal development/maintenance) and increased demand for services. Most notably, the assessment revealed that field inspection fees have not increased since 2012 and that the costs to provide inspection services, including both labor and transportation, have significantly increased since that time. Additionally, an initiative was launched in 2018 to both streamline the processing and recordkeeping of field applications and resulted in the development of WSCIA's "field application and bulk certificate web portal," which has, to date, required funding of over \$179,024. In sum, WSCIA is proposing an increase to some of the existing fees in this rule to ensure that the costs of providing services are recovered and that its certification operations are sustained.

Probable compliance requirements: The only probable compliance requirement will be paying the updated fees for seed certification. Section 3 provides a detailed overview of what the cost of compliance will look like with the proposed changes. WSCIA performed an in-depth analysis to determine the proposed fee structure, and that information is also provided in Section 3. No professional services will be required by businesses in order to comply with the proposed rule amendments.

SECTION 2:

Identify which businesses are required to comply with the proposed rule using the North American Industry Classification System (NAICS) codes and what the minor cost thresholds are:

***NAICS Code (4, 5, or 6 Digit)	***NAICS Business Description	*Number of Businesses in Washington	*Minor Cost Threshold = 1% of Average Annual Payroll	**Minor Cost Threshold = .3% of Average Annual Receipts
111	Crop Production	4,571	\$4,444.19	\$3,630.98
111140	Wheat Farming	614	\$596.39	\$848.72
111191	Oilseed and Grain Combination Farming	20	\$884.00	±\$100.00
111199	All Other Grain Farming	187	\$457.91	\$755.30
111219	Other Vegetable (except Potato) and Melon Farming	406	\$3,503.04	\$12,815.87
111421	Nursery and Tree Production	181	\$5,322.57	\$2,588.86
111940	Hay Farming	310	\$1,384.56	\$4,522.70
111998	All Other Miscellaneous Crop Farming	222	\$11,775.64	\$2,882.31
112990	All Other Animal Production	20	\$718.62	\$493.79
115113	Crop Harvesting, Primarily by Machine	32	\$2,993.41	\$6,585.80
115114	Postharvest Crop Activities (except Cotton Ginning)	123	\$50,457.84	\$17,158.04
115116	Farm Management Services	41	\$19,100.04	\$2,361.70
311211	Flour Milling	6	\$12,777.53	\$274,294.62

***NAICS Code (4, 5, or 6 Digit)	***NAICS Business Description	*Number of Businesses in Washington	*Minor Cost Threshold = 1% of Average Annual Payroll	**Minor Cost Threshold = .3% of Average Annual Receipts
325320	Pesticide and Other Agricultural Chemical Manufacturing	6	****\$4,035,623.33	\$54,420.61
423820	Farm and Garden Machinery and Equipment Merchant Wholesalers	133	\$10,547.39	\$22,698.22
424410	General Line Grocery Merchant Wholesalers	203	\$21,235.87	\$113,142.12
424480	Fresh Fruit and Vegetable Merchant Wholesalers	169	\$15,570.97	\$51,459.61
424490	Other Grocery and Related Products Merchant Wholesaler	434	\$7,269.70	\$26,997.40
424510	Grain and Field Bean Merchant Wholesalers	35	\$10,906.60	\$57,293.77
424590	Other Farm Product Raw Material Merchant Wholesaler	27	\$3,948.77	\$8,809.55
424910	Farm Supplies Merchant Wholesalers	234	\$10,501.05	\$46,474.97
493130	Farm Product Warehousing and Storage	19	\$19,783.78	\$9,074.52
541618	Other Management Consulting Services	107	\$5,845.03	\$8,712.81
541714	Research and Development in Biotechnology (except Nanobiotechnology)	254	\$66,044.66	\$32,379.06
561730	Landscaping Services	3,290	\$2,131.66	\$905.21

* Data source: 2021 Employment Security Department
 ** Data source: 2021 Department of Revenue
 *** Data source: 2021 Quarterly Census of Employment and Wages (Bureau of Labor Statistics)
 **** Data source: 2021 County Business Patterns (U.S. Census Bureau)
 † Data not available. Minor cost is defined in RCW 19.85.020 as "cost per business that is less than three-tenths of one percent of annual revenue or income, or one hundred dollars, whichever is greater, or one percent of annual payroll." When minor cost data is not available, the department uses a minor cost threshold of \$100.

SECTION 3:

Analyze the probable cost of compliance. Identify the probable costs to comply with the proposed rule, including: Cost of equipment, supplies, labor, professional services and increased administrative costs; and whether compliance with the proposed rule will cause businesses to lose sales or revenue: The proposed revisions to WAC 16-303-340 **do not** result in an across the board increase for all fees. An in-depth analysis of the fees collected by the different types of operations allowed WSCIA to only increase fees that will better recover costs per services provided. The result of the restructure is an increase in some fees and no increase on others. Table 3.1 shows the proposed new fee schedule as it compares to the current fees. The probable cost of compliance will be dependent on services that each business requests. Table 3.2 provides an overview of how businesses will be impacted based on the proposed fees as compared to the fees they paid in 2024.

In addition, the proposed revisions to this rule are not likely to have an appreciable impact on the cost of equipment, supplies, labor, professional services, or administrative costs. Compliance with the proposed rule will not likely cause businesses to lose sales or revenue. However, it will likely increase overall expenses for each business. In contrast, if the program was not able to continue provid-

ing the current level of service, or had to shut down completely due to lack of funds, the businesses it serves would likely lose sales due to the inability to have their seeds certified when many small grain varieties are PVP Title V so must be sold as a certified class.

While the proposed revision aims to increase the existing fee structure for seed certification, it does not impose any additional recordkeeping or administrative costs beyond those currently present in the existing rule.

Table 3.1 - WSCIA Proposed Fees Compared to Current Fees

Service	Current Fee	New Fee
Application fee per variety per grower	\$25.00	\$100.00
Field inspection fee per acre except millet and hybrid sorghum	\$3.15	\$5.30
Millet - First acre	\$32.55	\$32.55
Millet- Each additional acre	\$6.50	\$6.50
Hybrid sorghum Small Grain - First acre	\$32.55	\$32.55
Hybrid Small Grain- Each additional acre	\$13.00	\$13.00
Special field inspection fee per acre	\$2.60	\$2.60
Late application fee	\$50.00	\$200.00
Minimum reinspection fee for each field which did not pass field inspection plus \$0.75 for each acre	\$45.00	\$100.00
Final certification fee per cwt. of clean seed sampled	\$0.25	\$0.25
Production fee per cwt. of production from fields inspected which is utilized for seed	\$0.105	\$0.105
Sampling fee per cwt. of clean seed sampled, with minimum charge of \$10.30 per sample, which is charged to conditioning plant in lieu of mechanical sampling	\$0.105	\$0.105

Proposed rule is not expected to cause businesses any loss of sale or revenue.

Table 3.2 - Estimated Cost for Each Business that Paid Fees in 2023

Business	Business Size	NAICS Code	Total Cost 2023	Total Cost w/ Proposed Increase	Cost Difference Between 2023 and Proposed Increase	Percent Change in Cost
1*****	Large	424490	\$6,759.72	\$12,068.71	\$5,308.99	78%
2*****	Large	424510	\$4,530.82	\$8,202.70	\$3,671.88	81%
3	Small	424510	\$1,067.45	\$1,811.90	\$744.45	70%
4*****	Large	424910	\$13,701.07	\$25,196.77	\$11,495.70	84%
5	Small	424910	\$5,124.30	\$10,517.65	\$5,393.35	105%
6*****	Large	424510	\$43,693.87	\$74,675.30	\$30,981.43	71%
7	Small	424510	\$1,410.60	\$2,547.20	\$1,136.60	81%
8*****	Large	325320	\$5,111.75	\$14,153.05	\$9,041.30	177%
9*****	Small	424510	\$10,735.20	\$19,502.90	\$8,767.70	82%
10*****	Large	424510	\$39,965.94	\$70,815.79	\$30,849.85	77%
11*****	Large	493130	\$5,649.31	\$14,294.88	\$8,645.57	153%
12	Small	541714	\$1,100.15	\$2,298.00	\$1,197.85	109%
13	Small	541618	\$2,238.60	\$4,345.89	\$2,107.29	94%
14	Small	424510	\$2,171.25	\$5,217.50	\$3,046.25	140%
15	Small	424910	\$33,973.57	\$60,484.39	\$26,510.82	78%
16	Small*	111	\$685.56	\$1,211.41	\$525.85	77%
17	Small	111140	\$793.20	\$1,508.40	\$715.20	90%

Business	Business Size	NAICS Code	Total Cost 2023	Total Cost w/ Proposed Increase	Cost Difference Between 2023 and Proposed Increase	Percent Change in Cost
18	Small*	111998**	\$2,294.73	\$3,918.92	\$1,624.19	71%
19	Small	111199	\$820.53	\$1,438.52	\$617.99	75%
20	Small	111940	\$202.90	\$442.00	\$239.10	118%
21	Small*	111998**	\$576.25	\$1,027.50	\$451.25	78%
22	Small*	111421	\$560.50	\$1,001.00	\$440.50	79%
23	Small	115116	\$1,832.90	\$3,199.80	\$1,366.90	75%
24	Small*	111998**	\$293.15	\$593.25	\$300.10	102%
25	Small*	111140	\$2,037.65	\$3,544.30	\$1,506.65	74%
26	Small	423820	\$733.75	\$1,292.50	\$558.75	76%
27	Small*	111998**	\$912.90	\$1,709.80	\$796.90	87%
28	Small	111140	\$1,508.25	\$2,711.50	\$1,203.25	80%
29	Small	424910	\$895.95	\$1,939.66	\$1,043.71	117%
30	Small*	111998**	\$132.10	\$280.20	\$148.10	112%
31	Small*	111940	\$828.25	\$1,451.50	\$623.25	75%
32	Small	111998**	\$277.00	\$524.00	\$247.00	89%
33	Small*	111140	\$434.50	\$789.00	\$354.50	82%
34	Small	424410	\$1,111.75	\$1,928.50	\$816.75	74%
35	Small	561730	\$371.10	\$798.20	\$427.10	115%
36	Small	111940	\$4,254.09	\$7,819.90	\$3,565.81	84%
37	Small*	112990	\$223.45	\$433.90	\$210.45	94%
38	Small	111219	\$2,268.60	\$4,360.38	\$2,091.78	92%
39	Small*	111940	\$887.50	\$1,725.00	\$837.50	94%
40	Small	111998**	\$500.25	\$1,015.50	\$515.25	103%
41	Small	111940	\$267.55	\$508.10	\$240.55	90%
42	Small*	111998**	\$402.40	\$908.80	\$506.40	126%
43	Small	115113	\$607.75	\$1,080.50	\$472.75	78%
44	Small	111140	\$358.90	\$661.80	\$302.90	84%
45	Small*	111998**	\$680.20	\$1,202.40	\$522.20	77%
46	Small	111998**	\$503.80	\$905.60	\$401.80	80%
47	Small	111191	\$380.95	\$698.90	\$317.95	84%
48	Small*	111998**	\$592.00	\$1,054.00	\$462.00	78%
49	Small*	111998**	\$1,033.00	\$1,796.00	\$763.00	74%
50	Small*	112990	\$327.40	\$608.80	\$281.40	86%
51	Small*	111998**	\$138.00	\$406.00	\$268.00	194%
52	Small	111998**	\$809.35	\$1,419.70	\$610.35	75%
53	Small	111998**	\$169.90	\$343.80	\$173.90	102%
54	Small*	111998**	\$113.20	\$248.40	\$135.20	119%
55	Small*	111940	\$465.80	\$899.60	\$433.80	93%
56	Small*	424480	\$1,388.75	\$2,452.50	\$1,063.75	77%
57	Small	111940	\$730.40	\$1,344.80	\$614.40	84%
58	Small	424910	\$377.80	\$693.60	\$315.80	84%
59	Small	111199	\$812.50	\$1,425.00	\$612.50	75%
60	Small	111998**	\$1,536.01	\$2,932.00	\$1,395.99	91%
61	Small	111998**	\$346.30	\$640.60	\$294.30	85%

Business	Business Size	NAICS Code	Total Cost 2023	Total Cost w/ Proposed Increase	Cost Difference Between 2023 and Proposed Increase	Percent Change in Cost
62	Small*	311211	\$812.50	\$1,425.00	\$612.50	75%
63	Small*	111219	\$254.95	\$486.90	\$213.95	91%
64	Small	111998**	\$884.75	\$1,604.50	\$719.75	81%
65	Small*	111140	\$403.00	\$736.00	\$333.00	83%
66	Small*	111998**	\$995.00	\$1,790.00	\$795.00	80%
67	Small*	111140	\$189.24	\$376.34	\$187.10	99%
68	Small*	111998**	\$475.25	\$915.50	\$440.25	93%
69	Small*	424590	\$204.55	\$402.10	\$197.55	97%
70	Small	111998**	\$198.16	\$391.34	\$193.18	98%
71	Small	111998**	\$66.00	\$842.00	\$376.00	81%
72	Small	111998**	\$277.00	\$524.00	\$247.00	89%
73	Small	111998**	\$755.80	\$1,329.60	\$573.80	76%
74	Small	111191	\$1,911.03	\$3,331.24	\$1,420.21	74%
75	Small*	111140	\$1,782.42	\$3,056.92	\$1,274.50	72%
76	Small	111140	\$601.45	\$1,069.90	\$468.45	78%
77	Small*	111998**	\$432.63	\$867.24	\$434.61	101%
78*****	Large	325320	\$1,522.10	\$1,269.41	\$(252.69)	-166%
79*****	Large	424510	\$3,239.55	\$5,972.10	\$2,732.55	84%
80	Small	424510	\$1,978.00	\$3,386.00	\$1,308.00	66%
81*****	Small	115114	\$214.00	\$418.00	\$204.00	95%
82*****	Large	424910	\$16,131.69	\$28,316.54	\$12,184.85	76%
83	Small	424910	\$4,138.23	\$9,045.65	\$4,907.42	119%
84*****	Large	424910	\$4,044.11	\$7,905.17	\$3,861.06	96%
85*****	Large	424510	\$59,808.75	\$98,549.66	\$38,740.91	65%
86	Small	424510	\$963.30	\$1,794.60	\$831.30	86%
87	Small	311211	\$280.00	\$524.00	\$244.00	87%
88*****	Large	325320	\$3,105.30	\$7,346.50	\$4,241.20	137%
89*****	Small	424510	\$5,736.05	\$10,679.95	\$4,943.90	86%
90*****	Large	493130	\$10,493.24	\$18,651.87	\$8,158.63	78%
91*****	Large	424510	\$32,485.90	\$58,214.70	\$25,728.80	79%
92	Small	541618	\$434.50	\$789.00	\$354.50	82%
93	Small	541714	\$456.45	\$1,147.40	\$690.95	151%
94	Small	424910	\$26,351.70	\$47,847.45	\$21,495.75	82%

* Data on number of employees was unavailable, so calculated as one staff employed.
 ** NAICS code not found, assigned 111998 (the classification for All Other Miscellaneous Crop Farming).
 *** Calculated using fees paid by each business in 2023 compared to projected new fees.
 **** Determined based on highest amount between 1% of average annual payroll and 0.3% of average annual revenue for each NAICS code. Data from the Washington state employment security department and the Washington state department of revenue.
 ***** These businesses were billed as separate locations but had a single 'headquarters' location. All locations were combined into one for the analysis and a range was used for the business number.

SECTION 4:

Analyze whether the proposed rule may impose more-than-minor costs on businesses in the industry:

Table 4.1 - Businesses with Estimated Cost Increases Expected to Exceed the Minor Cost Threshold

Business	Business Size	NAICS Code	Estimated Cost Increase	Minor Cost Threshold
4*****	Large	424910	\$25,196.77	\$17,312.32
6*****	Large	424510	\$74,675.30	\$36,212.91
10*****	Large	424510	\$70,815.79	\$36,212.91
11	Large	493130	\$14,294.88	\$8,450.79
12	Small	541714	\$2,298.00	\$100.00
15	Small	424910	\$60,484.39	\$17,312.32
17	Small	111140	\$715.20	\$510.52
18	Small*	111998**	\$1,624.19	\$510.52
20	Small	111940	\$239.10	\$482.24
25	Small*	111140	\$1,506.65	\$510.52
28	Small	111140	\$2,711.50	\$510.52
31	Small*	111940	\$1,451.50	\$1,312.82
36	Small	111940	\$7,819.90	\$1,312.82
38	Small	111219	\$4,360.38	\$3,699.79
39	Small*	111940	\$1,725.00	\$1,312.82
44	Small	111140	\$661.80	\$ 510.52
47	Small	111191	\$317.95	\$ 666.26
50	Small*	112990	\$608.80	\$499.58
57	Small	111940	\$730.40	\$1,312.82
59	Small	111199	\$1,425.00	\$482.24
65	Small	111140	\$736.00	\$510.52
74	Small	111191	\$3,331.24	\$666.26
75	Small*	111140	\$3,056.92	\$510.52
76	Small	111140	\$1,069.90	\$510.52
82*****	Large	424910	\$12,184.85	\$17,312.32
85*****	Large	424510	\$38,740.91	\$36,212.91
90*****	Large	493130	\$8,158.63	\$8,450.79
91*****	Large	424510	\$25,728.80	\$36,212.91
93	Small	541714	\$690.95	\$100.00
94	Small	424910	\$21,495.75	\$17,312.32

* Data on number of employees was unavailable, so calculated as one staff employed.
 ** NAICS code not found, assigned 111998 (the classification for All Other Miscellaneous Crop Farming).
 *** Calculated using fees paid by each business in 2023 compared to projected new fees.
 **** Determined based on highest amount between 1% of average annual payroll and 0.3% of average annual revenue for each NAICS code. Data from the Washington state employment security department and the Washington state department of revenue.
 *****These businesses were billed as separate locations but had a single 'headquarters' location. All locations were combined into one for the analysis and a range was used for the business number.

Table 4.2 - Businesses with Estimated Cost Increases Expected to Be Less Than the Minor Cost Threshold

Business	Business Size	NAICS Code	Estimated Cost Increase	Minor Cost Threshold
1*****	Large	424490	\$5,308.99	\$16,218.03
2*****	Large	424510	\$3,671.88	\$17,312.32
3	Small	424510	\$744.45	\$36,212.91
5	Small	424910	\$5,393.35	\$17,312.32
7	Small	424510	\$1,136.60	\$36,212.91
8*****	Large	325320	\$9,041.30	\$22,796.68

Business	Business Size	NAICS Code	Estimated Cost Increase	Minor Cost Threshold
9*****	Small	424510	\$8,767.70	\$36,212.91
13	Small	541618	\$2,107.29	\$6,063.66
14	Small	424510	\$3,046.25	\$36,212.91
16	Small*	111	\$525.85	\$4,010.47
19	Small	111199	\$617.99	\$9,118.76
20	Small	111940	\$239.10	\$1,312.82
21	Small*	111998**	\$451.25	\$9,118.76
22	Small*	111421	\$440.50	\$4,836.69
23	Small	115116	\$1,366.90	\$18,534.89
24	Small*	111998**	\$300.10	\$9,118.76
26	Small	423820	\$558.75	\$10,499.07
27	Small*	111998**	\$796.90	\$9,118.76
29	Small	424910	\$1,043.71	\$17,312.32
30	Small*	111998**	\$148.10	\$9,118.76
32	Small	111998**	\$247.00	\$9,118.76
33	Small*	111140	\$354.50	\$510.52
34	Small	424410	\$816.75	\$62,222.48
35	Small	561730	\$427.10	\$1,952.12
37	Small*	112990	\$210.45	\$499.58
40	Small	111998**	\$515.25	\$9,118.76
41	Small	111940	\$240.55	\$1,312.82
42	Small*	111998**	\$506.40	\$9,118.76
43	Small	115113	\$472.75	\$2,274.76
45	Small*	111998**	\$522.20	\$9,118.76
46	Small	111998**	\$401.80	\$9,118.76
48	Small*	111998**	\$462.00	\$9,118.76
49	Small*	111998**	\$763.00	\$9,118.76
51	Small*	111998**	\$268.00	\$9,118.76
52	Small	111998**	\$610.35	\$9,118.76
53	Small	111998**	\$173.90	\$9,118.76
54	Small*	111998**	\$135.20	\$9,118.76
55	Small*	111940**	\$433.80	\$1,312.82
56	Small*	424480	\$1,063.75	\$23,617.58
58	Small	424910	\$315.80	\$17,312.32
60	Small	111998**	\$1,395.99	\$9,118.76
61	Small	111998**	\$294.30	\$9,118.76
62	Small*	311211	\$612.50	\$41,817.74
63	Small*	111219	\$213.95	\$3,699.79
64	Small	111998**	\$719.75	\$9,118.76
66	Small*	111998**	\$795.00	\$9,118.76
67	Small*	111140	\$187.10	\$510.52
68	Small*	111998**	\$440.25	\$9,118.76
69	Small*	424590	\$197.55	\$7,599.93
70	Small	111998**	\$193.18	\$9,118.76
71	Small	111998**	\$376.00	\$9,118.76

Business	Business Size	NAICS Code	Estimated Cost Increase	Minor Cost Threshold
72	Small	111998**	\$247.00	\$9,118.76
73	Small	111998**	\$573.80	\$9,118.76
77	Small*	111998**	\$434.61	\$9,118.76
78*****	Large	325320	-\$252.69	\$22,796.68
79*****	Large	424510	\$2,732.55	\$36,212.91
80	Small	424510	\$1,308.00	\$36,212.91
81*****	Small	115114	\$204.00	\$43,600.39
83	Small	424910	\$4,907.42	\$17,312.32
84*****	Large	424910	\$3,861.06	\$16,218.03
86	Small	424510	\$831.30	\$36,212.91
87	Small	311211	\$244.00	\$41,817.41
88*****	Large	325320	\$4,241.20	\$22,796.68
89*****	Small	424510	\$4,943.90	\$36,212.91
92	Small	541618	\$354.50	\$6,063.66

* Data on number of employees was unavailable, so calculated as one staff employed.
 ** NAICS code not found, assigned 111998 (the classification for All Other Miscellaneous Crop Farming).
 *** Calculated using fees paid by each business in 2023 compared to projected new fees.
 **** Determined based on highest amount between 1% of average annual payroll and 0.3% of average annual revenue for each NAICS code. Data from the Washington state employment security department and the Washington state department of revenue.
 *****These businesses were billed as separate locations but had a single 'headquarters' location. All locations were combined into one for the analysis and a range was used for the business number.

SECTION 5:

Determine whether the proposed rule may have a disproportionate impact on small businesses as compared to the 10 percent of businesses that are the largest businesses required to comply with the proposed rule: RCW 19.85.040(1) requires the department to compare the cost of compliance for small businesses with the cost of compliance for the 10 percent of businesses that are the largest businesses required to comply with the proposed rules using one or more of the following as a basis for comparing costs: (a) Cost per employee; (b) cost per hour of labor; or (c) cost per \$100 of sales.

Table 5.1 - Comparison of Estimated Costs per Employee for All Large Businesses and All Small Businesses Impacted by the Proposed Amendments

Number of Businesses in Size Classification	Business Size	Average Number of Employees	Average Estimated Cost Increase	Average Cost Per Employee
79	Small	6.19	\$1,566.93	\$253.14
14	Large	10,841.00	\$13,956.43	\$1.29

Based on the information within Table 5.1, the department determined that the proposed rule may have a disproportionate economic impact on small businesses. The data reveals that small businesses reported significantly higher compliance costs relative to their size (measured by number of employees) compared to the largest 10 percent of businesses required to comply with the proposed rule. In essence, this information demonstrates that large business respondents benefit greatly from economies of scale in absorbing regulatory costs, whereas the small business respondents face a higher per-employee cost burden. These comparative impact analyses are shown below:

Table 5.2 - 10% of Largest Business Respondents v. 10% of Largest "Small Business" Respondents

	Business Size (# Of Employees)	Cost Per Employee		Business Size (# Of Employees)	Cost Per Employee
From the large business survey respondents, these are the largest 10%.	95,518 (Large)	\$0.00	From the small business survey respondents, these are the largest 10%.	36 (Small)	\$6.78
	16,300 (Large)	\$0.55		33 (Small)	\$24.75
	16,300 (Large)	\$0.26		30 (Small)	\$37.89
	10,250 (Large)	\$1.12		30 (Small)	\$27.71
	10,250 (Large)	\$1.19		25 (Small)	\$29.78

Table 5.3 - 10% of Largest Business Respondents v. 10% of Smallest "Small Business" Respondents

	Business Size (# Of Employees)	Cost Per Employee		Business Size (# Of Employees)	Cost Per Employee
From the large business survey respondents, these are the largest 10%.	95,518 (Large)	\$0.00	From the small business survey respondents, these are the largest 10%.	1 (Small)	\$434.61
	16,300 (Large)	\$0.55		1 (Small)	\$197.55
	16,300 (Large)	\$0.26		1 (Small)	\$440.25
	10,250 (Large)	\$1.12		1 (Small)	\$333.00
	10,250 (Large)	\$1.19		1 (Small)	\$213.95

The data reveal disparities in operational costs between small and large businesses, with smaller businesses facing significantly higher costs per employee. While large businesses often benefit from economies of scale and streamlined processes, small businesses may lack these advantages, forcing them to allocate a far greater share of their resources per worker. While the department cannot definitively conclude that the proposed rule will create disproportionate impacts on small businesses, the survey results strongly suggest a likelihood of uneven financial burdens.

SECTION 6:

If the proposed rule has a disproportionate impact on small businesses, identify the steps taken to reduce the costs of the rule on small businesses. If the costs cannot be reduced provide a clear explanation of why: WSCIA's program determined that it does not have an option to reduce costs to perform the work because doing so would create a cash deficit/inability to continue operations.

WSCIA staff provides service to more acreage with less staff than ever before. With the increase of cost per staff and Washington state overtime rules, this has put a strain on funds. In addition to the increasing costs previously absorbed by WSCIA, they continue to make large investments into modernizing their field inspection process to remain efficient with their time. The cost to provide certification services has increased drastically since the previous fee increase.

Table 6 - Increase in Costs to WSCIA History 2012 to 2024

	2012	2024
Vehicle lease	\$13,006	\$25,241
Inspector pay (new inspector)	\$15/hr	\$18/hr
Inspector telephone cost	\$629	\$2,135

The cost to small businesses would be limited because if the certification costs are paid by the seed field farmer, they will charge an increased amount to the seed dealer they are growing for so the cost is captured by the small business.

RCW 19.85.030(2) requires consideration of the following methods of reducing the impact of the proposed amendment on small businesses:

(a) *Reducing, modifying, or eliminating substantive regulatory requirements:* WAC 16-302-010 designates WSCIA to act as the director's authorized agent for the purpose of certifying buckwheat, chickpeas, field peas, lentils, millet, quinoa, soybeans, small grain, sorghum and forest trees, including conditioning plant inspections for these crops. WSCIA's field inspection activities are funded by inspection fees in WAC 16-303-340. The fees have not been evaluated in 12 years and are no longer able to cover the cost of providing these services. WSCIA's board of directors determined the increase is necessary to maintain the current level of service. Reducing, modifying, or eliminating the services would conflict with AOSCA/WSDA certification standards. In order for the agency to continue providing certifying services, the fees in this section must be revised to more accurately recover the cost for these services. WSDA has determined that the proposed changes are necessary based upon the requirements and conditions of the industry and will serve to promote the well-being of purchasers and users of seed as well as members of the seed industry.

(b) *Simplifying, reducing, or eliminating recordkeeping and reporting requirements:* There are no recordkeeping or reporting requirements associated with the proposed rule amendment.

(c) *Reducing the frequency of inspections:* Inspections are a mandatory part of WSCIA's certification services and are required to complete the necessary steps for certification. AOSCA mandates the number and frequency of inspections.

(d) *Delaying compliance timetables:* Delaying compliance is not a feasible step as WSCIA has already delayed increasing fees for many years. The proposed rule is a necessary step to maintain the level of certification services WSCIA provides.

(e) *Reducing or modifying fine schedules for noncompliance:* There are no fine schedules associated with the proposed rule amendment.

(f) *Any other mitigation techniques including those suggested by small businesses or small business advocates:* A few services remain the same and have not increased. The current time study for the staff labor and inputs of resources indicates the fee should remain the same. The revision of reports upon request from customers, the shipping and handling fee, plus the cost for the annual and rough blue-grass quarantine per acre fee will all remain the same. No other mitigation techniques were suggested by small businesses or small business advocates.

SECTION 7:

Describe how small businesses were involved in the development of the proposed rule: A combination of both small and large businesses were engaged for each outreach in the table below as industry and WSCIA's board of directors is made up of small and large businesses. The need for the program to increase fees was discussed with the WSCIA board on several occasions in the years leading up to this proposed rule change. WSCIA board of directors discussed the budgetary need to maintain the current level of services with the escalating cost of providing these services.

Table 7 - Stakeholder Outreach

Date	Organization Name	Topics Discussed
6-19-23	WSCIA Board	Quarterly board meeting. Board members, each representing a different county, present pertinent information to the WSCIA board and relay information to stakeholders.

Date	Organization Name	Topics Discussed
9-7-23	WSCIA Board	Quarterly board meeting. Board members, each representing a different county, present pertinent information to the WSCIA board and relay information to stakeholders. Gave the board the costs of each fee involved with field inspection and that those fees are the ones that should be focused on increasing.
10-23-23	WSCIA members	Seed Buzz, chapter 16-303 WAC, CR-101 rule-making notification.
10-24-23	WSCIA members	WSDA Newsletter.
11-13-23	WSCIA, 190 other organizations	WSCIA annual membership conference.
11-14-23	WSCIA Board	Quarterly board meeting. Board members, each representing a different county, present pertinent information to the WSCIA board and relay information to stakeholders. Gave the board an overview of increasing fees that are specified in the WAC.
12-1-23	WSCIA members	Chapter 16-303 WAC, CR-101 rule-making notification, detail of fee increases explained.
8-14-24	Industry/WSCIA members	Distributed survey to assess impact to employment to industry.
8-21-24	Industry/WSCIA members	2024-Q3 Seed Buzz. Notified WSCIA members and industry that we are working toward the WAC fee changes.

SECTION 8:

Identify the estimated number of jobs that will be created or lost as the result of compliance with the proposed rule: A survey was conducted by WSCIA and sent to their customers on August 14, 2024. The survey results were inconclusive, as only three responses were received. No jobs are estimated to be created or lost in complying with this proposed rule.

A copy of the statement may be obtained by contacting Gloriann Robinson, Rules Coordinator, P.O. Box 42560, Olympia, WA 98504-2560, phone 360-902-1802, fax 360-902-2092, TTY 800-833-6388, email wsdarulescomments@agr.wa.gov.

May 7, 2025
 Jessica Allenton
 Assistant Director

OTS-5957.1

AMENDATORY SECTION (Amending WSR 18-10-055, filed 4/27/18, effective 5/28/18)

WAC 16-303-340 Seed certification fees for buckwheat, chickpea, field pea, lentil, millet, quinoa, soybean, sorghum and small grains.
 (1) Seed certification fees for buckwheat, chickpea, field pea, lentil, millet, quinoa, soybean, sorghum and small grains are as follows:

(a)	Application fee per variety per grower	((\$25.00)) \$100.00
(b)	Field inspection fee per acre except millet and hybrid sorghum	\$3.15
(c)	Millet - First acre	\$32.55

	- Each additional acre	\$6.50
(d)	Hybrid sorghum - First acre	\$32.55
	- Each additional acre	\$13.00
(e)	Special field inspection fee per acre	(\$2.60) \$4.15
(f)	Late application fee	(\$50.00) \$200.00
(g)	Minimum reinspection fee for each field which did not pass field inspection plus \$0.46 for each acre over ((twenty-five)) 25	(\$45.00) \$100.00
(h)	Final certification fee per cwt. of clean seed sampled	\$0.25
(i)	Production fee per cwt. of production from fields inspected which is utilized for seed	\$0.105
(j)	Sampling fee per cwt. of clean seed sampled, with minimum charge of \$10.30 per sample, which is charged to conditioning plant in lieu of mechanical sampling	\$0.105

(2) A field may be withdrawn upon notification by the applicant to the certifying agency's office before field inspection. In such case, the field inspection fee is refunded upon request until June 30 of the year following harvest.

(3) Harvest before field inspection causes forfeitures of both the application and field inspection fees, and completion of certification.

(4) Final certification or production fees shall be determined by the audit process described in subsection (5) of this section.

(5) The WSCIA audit process is as follows:

(a) Audits are conducted semiannually.

(b) Certified seed growers, distributors, and conditioning plants shall report all previously unreported retail and wholesale transactions of certified or certified-eligible seed by completing and returning the WSCIA audit form to WSCIA.

(c) WSCIA invoices each grower, distributor, conditioning plant, or final seller as follows:

(i) For seed certified by WSCIA and utilized as seed, the conditioning plant is charged the final certification fee in subsection (1)(h) of this section;

(ii) For certified-eligible seed not certified by WSCIA but utilized as seed, the grower or final seller is charged the production fee in subsection (1)(i) of this section. "Final seller" means a seller who sells seed prior to brokerage or retail sale, sells seed to a plant not approved for conditioning certified seed, or transships seed out-of-state.