

HOUSE BILL REPORT

HB 2999

As Reported By House Committee On:
Agriculture & Ecology

Title: An act relating to the Washington state beef commission.

Brief Description: Modifying the Washington state beef commission.

Sponsors: Representatives G. Chandler and Linville.

Brief History:

Committee Activity:

Agriculture & Ecology: 2/3/00, 2/4/00 [DPS].

Brief Summary of Substitute Bill

- Increases the Beef Commission's assessment to \$1 per head of cattle (rather than 50 cents per head) at the sale of the cattle.
- Authorizes a change in the commission's non-voting membership.

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives G. Chandler, Republican Co-Chair; Linville, Democratic Co-Chair; Cooper, Democratic Vice Chair; Anderson; B. Chandler; Delvin; Fortunato; Grant; Reardon; Schoesler; Stensen; Sump and Wood.

Minority Report: Without recommendation. Signed by 1 member: Representative Koster, Republican Vice Chair.

Staff: Kenneth Hirst (786-7105).

Background:

The Washington State Beef Commission has been created by statute. It is composed of two beef producers, two dairy-beef producers, two feeders, one livestock sales-

yard operator, and one meat packer. A representative of the Department of Agriculture is a non-voting member of the commission.

A state assessment of 50 cents per head of Washington cattle is levied at the sale of the cattle for the commission. In addition, the commission may collect an additional assessment of 50 cents per head for cattle that are subject to assessment under a federal order for providing funds for a national beef promotion and assessment program. Exempted from assessment, unless subject to assessment under the federal order, are animals sold for milk production and sales where the assessment exceeds one percent of the sale price of the animal.

Summary of Substitute Bill:

The state assessment for the Beef Commission is now \$1 per head of cattle (rather than 50 cents per head). An exemption from assessment is provided if the assessment exceeds one percent of the sale price of the animal, unless the national program assesses such animals, is repealed.

The assessments for sales made without brand inspections conducted by the Department of Agriculture are now due by the 15th day of the month following the month in which the transactions occurred. The department is no longer required to collect and remit assessments for sales that are accompanied by a brand inspection. Collections are to be made as prescribed in the federal order and the rules of the commission.

The voting members of the commission may now add one non-voting member to the commission and set the term for such an advisory member. Representation of the Department of Agriculture on the commission without vote is no longer required; it is now optional. An annual report need no longer be presented at the commission's annual meeting.

The commission's programs for advertising, sales promotion, and marketing are no longer expressly prohibited by statute from referring to a particular brand or trademark.

Substitute Bill Compared to Original Bill: The substitute bill increases the state assessment to \$1 per head (from 50 cents per head) and returns the assessment for the national program to 50 cents per head (from \$1 per head). The substitute bill also reinstates an exemption from assessment for animals sold for milk production.

Appropriation: None.

Fiscal Note: Requested on January 21, 2000.

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

Testimony For: 1) The assessment is for the commission's beef promotion program. Reduced revenues and an erosion in the buying power of the current assessment have led to reductions that have hurt that program, particularly in the food safety part of that program. 2) With the increased assessment, the commission will replace the lost parts of its program and engage in an aggressive beef promotion program. 3) A recent promotional effort led to a new line of products for a Washington company that now pays a premium for cattle for that line.

Testimony Against: None.

Testified: (Original bill) Karla Fullerton and Tom Beechner, Washington Cattlemen's Association; Casey Lanter, Washington Dairy Federation; and Don Floren, Beef Commission.