

SENATE BILL REPORT

SHB 1891

As Reported By Senate Committee On:
Agriculture & International Trade, March 30, 2001
Ways & Means, April 2, 2001

Title: An act relating to international marketing of agriculture.

Brief Description: Increasing the international trade of Washington state agricultural products.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Mulliken, Schoesler, Voloria, B. Chandler, Van Luven, Linville, G. Chandler, Conway and Dunn).

Brief History:

Committee Activity: Agriculture & International Trade: 3/28/01, 3/30/01 [DPA-WM].
Ways & Means: 4/2/01 [DPA (AG)].

SENATE COMMITTEE ON AGRICULTURE & INTERNATIONAL TRADE

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Rasmussen, Chair; Shin, Vice Chair; Parlette, Sheahan, Snyder and Swecker.

Staff: Bob Lee (786-7404)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Agriculture & International Trade.
Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Roach, Rossi, Sheahan, B. Sheldon, Snyder, Spanel and Zarelli.

Staff: Richard Ramsey (786-7412)

Background: In recent years, there has been a significant decline in the value of exports of agricultural commodities produced in Washington State. This decline in sales has resulted in a significant reduction in the prices received for many agricultural commodities produced in the state. Among the causes of the decline are a strong exchange rate for the United States dollar, increased agricultural marketing programs of competing countries, and protective trade barriers established by foreign governments.

Summary of Amended Bill: A market development and promotion matching fund is created to be administered by the Department of Agriculture. The purpose of the program is to allow the Department of Agriculture and the agricultural industry to combine funds in order to

access markets where the potential for growth in sales exist. Also, the funds may be used to support other marketing functions such as buying missions and trade promotions.

A trade barrier matching fund program is also created. The purpose of the program is to allow the Department of Agriculture and the agricultural industry to combine funds to address trade barrier issues impacting the agricultural industry.

If specific funding is not provided in the omnibus appropriations act, this act is null and void.

Amended Bill Compared to Original Bill: Technical and non-substantive changes were made in the striking amendment.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For (Agriculture & International Trade): Trade barriers erected by foreign countries to protect their domestic agricultural industries are restraining the ability to sell abroad the agricultural products produced in the state. Concerted action by the state is needed to find new markets for agricultural products and to overcome barriers erected by other countries despite expanding free trade agreements. The economic situation of many segments of agriculture are in a distressed condition and expanding markets are needed to improve prices.

Testimony Against (Agriculture & International Trade): None.

Testified (Agriculture & International Trade): Representative Morris; Ron Shultz, Audubon (pro); Linda Johnson, Farm Bureau (pro); Charlie Brown, WA State Potato Commission (pro); Pete Granger, WA Fish Growers (pro).

Testimony For (Ways & Means): The state is subject to continuing trade barrier disputes with Canada, China and Japan. This bill will contribute resources to resolving these disputes. Agricultural trade is vital to the state -- one out of three ships departing the Port of Seattle carries agricultural products.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): Charlie Brown, WA State Potato Commission (pro).