

SENATE BILL REPORT

HB 1984

As Reported By Senate Committee On:
Agriculture & International Trade, March 23, 2001

Title: An act relating to marketing of agricultural products.

Brief Description: Creating the small farm direct marketing assistance program.

Sponsors: By Representatives Quall, Morris, Barlean, Cooper, Ericksen, Dunshee, Linville, Hatfield, Ruderman, Poulsen, Conway, Lovick and Kagi.

Brief History:

Committee Activity: Agriculture & International Trade: 3/21/01, 3/23/01 [DPA-WM].

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 and Swecker.

Staff: Bob Lee (786-7404)

Background: Consumers often indicate a preference for food grown locally and for food purchased directly from the farmer. Small farmers can realize a much greater profit if they are able to sell their products directly. Often, however, small farmers lack the resources to effectively market their products themselves. Information and ideas related to effective marketing are not always easily accessible for small farmers. It is feared that, without more effective marketing information, many small farms will not be able to continue supporting themselves and that the preferences many consumers have for local direct farm products will be frustrated.

Another agricultural marketing tool is to inform in-state consumers of the products grown in Washington, together with an advertising program that indicates the attributes to our state economy and citizens of supporting locally grown agricultural products. There is concern that increasing competition from well-funded advertising campaigns by competing regions and countries is eroding the in-state market share for commodities produced in this state. With the great diversity of crops and crop varieties grown in Washington State, and with their high quality and freshness, it is believed that in-state consumers would increase their purchases if they were able to identify the products as "grown in Washington." Improving markets would assist in stabilizing and enhancing our rural and agricultural economies.

Summary of Amended Bill: The small farm direct marketing program is established in the Department of Agriculture. The program employs a small farm direct marketing assistant and provides marketing assistance to small farmers, including direct marketing information, reducing market barriers, assistance with regulation compliance, increasing marketing opportunity infrastructure, and other assistance related to small farm marketing.

The program continues for five years and by December 1, 2006, the department must issue a report on the accomplishments of the program. The program expires on July 1, 2007 unless extended by the Legislature.

A "Grown in Washington" program is created within the Department of Agriculture. The purpose is to provide matching funds to commodity commissions and other qualifying entities to implement programs that increase sales and market share for state produced agricultural products in our state domestic market.

Amended Bill Compared to Original Bill: The creation of a Grown in Washington-program is added.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The original bill is identical to SB 5613 for which funding is proposed in the Governor's request budget. Small farms can improve their ability to survive by selling directly to consumers and thereby receive a greater portion of the consumer food dollar. Small farmers need to be able to readily obtain information about marketing, health regulations, and other requirements to directly market their products.

A "Grown in Washington" program is intended to improve marketing opportunities for all farmers by creating greater understanding by consumers of the advantages of buying products that are grown within the state. As Asian markets have decreased due to the strong dollar, an increase in market share of local markets is needed to help stabilize prices received by state agricultural producers. Efforts will be made to work with retailers to increase shelf space that is dedicated to products produced within the state.

Testimony Against: None.

Testified: Mary Beth Lang, Miles McEvoy, WA State Dept. of Agriculture (pro); Mike Ryherd, Small Farm Coalition, Sustainable Farm Coalition (pro); Jim Halstrom, WA State Horticultural Assn. (pro).