

HOUSE BILL REPORT

2SSB 6483

As Reported by House Committee On:
Agriculture & Natural Resources
Appropriations

Title: An act relating to local food production.

Brief Description: Enacting the local farms-healthy kids act.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Hatfield, Honeyford, Rasmussen, Haugen, Swecker, Tom, Morton, Rockefeller, Fraser, Hargrove, Keiser, Kohl-Welles, Brandland, Kilmer, Shin, McDermott, Kauffman, Murray, Hobbs, Kastama, Fairley, Pridemore, Regala, McAuliffe, Jacobsen, Kline, Brown, Franklin, Hewitt, Spanel, Parlette, Oemig and Roach).

Brief History:

Committee Activity:

Agriculture & Natural Resources: 2/20/08, 2/25/08 [DPA];
Appropriations: 2/28/08 [DPA(AGNR)].

**Brief Summary of Second Substitute Bill
(As Amended by House Committee)**

- Makes changes to state procurement policy to encourage and facilitate the purchase of Washington grown food by state agencies and institutions of higher education.
- Allows school boards to develop and implement procedures to increase the purchasing of Washington grown food.
- Creates the Farm-to-School Program in the Washington Department of Agriculture.
- Creates the Washington Grown Fresh Fruits and Vegetables Grant Program in the Office of the Superintendent of Public Instruction.
- Creates the Farmers Market Technology Improvement Pilot Program at the Department of Social and Health Services.

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

- Creates the Farmers to Food Banks Pilot Program in the Department of Community, Trade and Economic Development.
- Requires the Department of Health to adopt rules to allow farms with farm stores to participate in the Women, Infant, and Children Nutrition Program.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass as amended. Signed by 12 members: Representatives Blake, Chair; Van De Wege, Vice Chair; Kretz, Ranking Minority Member; Warnick, Assistant Ranking Minority Member; Eickmeyer, Grant, Lantz, Loomis, McCoy, Nelson, Newhouse and Orcutt.

Staff: Colleen Kerr (786-7168).

Background:

Washington Agriculture Industry

Washington is a major agricultural state with 34,000 farms operating on more than 15 million acres, producing some 300 commercial crops and livestock products valued at \$6.4 billion. Washington ranks first in the United States for production of 11 commodities, including apples, sweet cherries, pears, hops, and red raspberries. Growers' production ranks second in the United States for an additional eight commodities, including potatoes, grapes, and onions. Washington is also the second-largest producer of wine in the United States. The state's diverse agricultural economy includes aquaculture, farm forest products, cranberries, and spearmint and peppermint oil.

Procurement

The Department of General Administration (GA) sets policy and procedure for state procurement as well as develops and administers contracts for goods and services. The estimated term value of these contracts is approximately \$900 million on behalf of state agencies, colleges and universities, select nonprofit organizations, and local governments.

The Office of the Superintendent of Public Instruction's (OSPI) procurement policy is consistent with state and federal procurement regulations. There is currently a United States Department of Agriculture (USDA) prohibition on granting geographic preferences when purchases are made from USDA Child Nutrition Program funds. According to USDA definition, all funding coming into Program 98 (School Food Service), regardless of source – whether state, federal, or local – is considered USDA Child Nutrition Program funds. This prohibition may be removed with the 2007 farm bill.

United States Department of Agriculture Fresh Fruits and Vegetable Program

The 2002 farm bill created a pilot program to provide free fresh fruit and vegetable snacks to students in participating schools. Separate from schools' existing meals programs, the snack program is intended to increase children's fruit and vegetable consumption for their better

health. Implemented by the USDA Food and Nutrition Service, the \$6 million pilot program provided grants to 25 schools in each of six states and one Native American territory. The schools used the funds to purchase their choice of snacks. In 2004, Congress made the program permanent and expanded it to eight states and three Native American territories.

Summary of Amended Bill:

For the purposes of the Local Farms-Healthy Kids Act, "Washington grown" means food that is grown and packed or processed in Washington.

Procurement

Statutory provisions regarding procurement by state agencies and institutions of higher education are amended so that the Director of GA will establish state policy:

- for the development of food procurement procedures and materials that encourage the purchase of Washington grown food by state agencies and institutions to the maximum extent practicable; and
- for the development of policies requiring all food contracts to include a plan to maximize to the extent practicable the availability of Washington grown food purchased through the contract.

Further, competitive bidding is not required for off-contract purchases by state agencies and institutions of higher education of Washington grown food when such food is not available from Washington sources through existing contracts.

For schools, school boards may develop and implement policies and procedures to develop to the greatest extent possible the purchasing of Washington grown food. This may include, but is not limited to, local preference policies and procedures.

Farm-to-School Program

The Farm-to-School Program (Program) is created in the Washington State Department of Agriculture (WSDA) to facilitate increased procurement of Washington grown food by the common schools. The WSDA shall work in consultation with the Department of Health (DOH), the OSPI, the GA, and Washington State University (WSU) to:

- coordinate with school procurement officials and other organizations to identify policies and procedures, including recommendations, to implement the program that shall be available to school districts for use at their discretion;
- assist food producers, distributors, and food brokers to market Washington grown food to schools;
- identify and recommend mechanisms for increasing the predictability of supply and demand for producers and buyers in the Program;
- identify and make available existing curricula, programs, and publications that educate students on the nutritional, environmental, and economic benefits of preparing and consuming Washington grown food;
- support efforts to advance other farm-to-school connections, such as farmers markets on school grounds, school gardens, and farm visits; and

- seek additional funding sources for the Program.

Washington Grown Fresh Fruit and Vegetable Grants

The Washington Grown Fresh Fruit and Vegetable Grant Program (Grant Program) is created in the OSPI to facilitate the consumption of nutritious Washington grown snacks in schools to improve student health and to expand the market for locally grown fresh produce. The Grant Program shall increase the number of school children with access to Washington grown fresh fruits and vegetables and shall be modeled after the USDA's Fresh Fruits and Vegetable Program. Schools receiving funding from the USDA program are not eligible for funding through the Grant Program.

The OSPI shall develop performance measures to track the number of students served by the Grant Program and the dollar value of purchases of Washington grown fresh fruits and vegetables resulting from the Grant Program, as well as the development of federal, state, and private partnerships through the Grant Program.

For the purposes of this section, "fresh fruits and vegetables" includes perishable produce that is unprocessed, minimally processed, frozen, or otherwise prepared, stored, and handled to maintain its fresh nature.

School Gardens or Farms

School districts may operate school gardens or farms for growing fruits and vegetables to be used for educational purposes and, if appropriate, to be offered to students through the district nutrition services meal and snack programs. A school's vocational agricultural program must be given preference for operating a school garden or farm. Students participating in school gardens or farms must have the opportunity to learn both conventional and organic farming methods.

Farmers Market Technology Improvement Pilot Program

The Farmers Market Technology Improvement Pilot Program is created in the Department of Social and Health Services (DSHS) to lend technological hardware to farmers markets to develop the capability to accept electronic payments cards, including electronic benefits transfers. The Technology Improvement Program is intended to increase access to fresh fruits, vegetables, meat, and dairy for all Washington residents and to increase the number of food stamp recipients using food stamps through electronic benefits transfer at farmers markets.

The DSHS must collect data on the program and communicate biennially to the appropriate committees of the Legislature beginning November 15, 2009. The Pilot Program expires July 1, 2010.

Farmers to Food Banks Pilot Program

The Department of Community, Trade, and Economic Development (DCTED) shall establish the Farmers to Food Banks Pilot Program (Pilot Program). The purpose of the Pilot Program is for food banks in selected communities to contract with local farmers for fresh fruits, vegetables, dairy, and meat products for distribution to low-income people at local, designated food banks. The DCTED must put out a request for proposals and must select no more than

five pilot site communities. One Pilot Program site shall be designated in an ethnically diverse city that has been negatively impacted by a mass transit infrastructure program and has over 500,000 residents. At least two sites must be located east of the crest of the Cascade Mountains, and at least one site must be located in a rural county.

The DCTED must collect data on the Pilot Program and communicate biennially to the appropriate committees of the Legislature beginning November 15, 2009. The Pilot Program expires July 1, 2010.

Women, Infant, and Children Nutrition Program

The DOH shall adopt rules allowing farmers that have farm stores to participate in the Women, Infant, and Children Nutrition Program (WIC). Rules must conform with the federal requirements for grants and cooperative agreements.

Amended Bill Compared to Second Substitute Bill:

The amendment strikes the underlying bill and replaces it with the version that passed off the floor of the House so that:

- the Joint Legislative Audit and Revue Committee reports for the pilot programs and the Office of Financial Management tracking requirements are removed;
- the Farmers to Food Banks Pilot Program and the Farmers Market Technology Improvement Program grants will be distributed equitably based on stated criteria rather than competitively for the purpose of reducing administrative costs; and
- language is added to ensure that students who participate in vocational, agricultural programs will be allowed to participate in the school garden or farm for those schools who choose to do so under section 7 of this act.

The language authorizing the DOH to adopt rules so that individual farms with farm stands may participate in the WIC Farmers Market Nutrition Program is clarified so that individual farms with farm stands may participate; language is added to specify that students participating in the FFA or 4-H may participate in the school garden or farm and makes technical corrections.

Appropriation: None.

Fiscal Note: Requested on 2/26/2008.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void if not funded in the budget.

Staff Summary of Public Testimony:

(In support) This bill is one of the environmental community's four priorities for this legislative session. The Washington Environmental Council and its affiliated groups would like to see the Senate bill amended to mirror the version passed in the House, with an additional amendment from the OSPI to address food safety in school gardens and farms, as

the House version reflects a concerted effort and series of compromises to keep the fiscal impact and administrative costs down.

The Farm Bureau is pleased with the educational component of the bill. It supports children, their parents, and their communities in learning about the agriculture industry in Washington as well as brings important stakeholder groups together. It is a key partnership for both healthy kids and a healthy agriculture industry.

Fresh fruits and vegetables help lower the incidence of childhood diabetes and obesity. These diseases are a growing epidemic for kids everywhere, particularly in lower income areas. Washington State is fortunate to have an abundance of fresh fruits and vegetables and to be able to pursue a grant program to address these health issues in schools.

The OSPI sees many, many benefits of the USDA Fresh Fruits and Vegetable Grants Program. The health benefits include teaching children how to make healthy choices.

(Opposed) The Northwest Food Processors Association opposes the bill. It creates the presumption that processed foods are not nutritious. Additionally, these programs are simply more state bureaucracy that do little to either support farmers or to provide nutritious food to kids.

Persons Testifying: (In support) Mo McBroom, Washington Environmental Council; John Stuhlmiller, Washington State Farm Bureau; Mitch Denning, Alliance of Educational Associations; Erin McDougal, Public Health-Seattle and King County; and George Sneller, Office of the Superintendent of Public Instruction.

(Opposed) T.K. Bentler, Northwest Food Processor's Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Agriculture & Natural Resources. Signed by 31 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Chandler, Cody, Conway, Darneille, Ericks, Fromhold, Grant, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDonald, Morrell, Pettigrew, Priest, Ross, Schmick, Schual-Berke, Seaquist and Sullivan.

Staff: Ben Rarick (786-7349).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Agriculture & Natural Resources:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) The money in the House budget to support this bill is much appreciated. It is sufficient to support the policy. The Farm-to-School program is critical to making this effort successful. Section 7 is a good addition to the bill. It allows schools to establish gardens and grow fresh fruits and vegetables.

(Opposed) None.

Persons Testifying: Paul Benz, Lutheran Public Policy; Mitch Denning, Alliance of Education Associations; Mo McBroom; and Clifford Traisman, Washington Conservation Voters and Washington Environmental Council.

Persons Signed In To Testify But Not Testifying: None.