

HOUSE BILL REPORT

HB 2367

As Reported by House Committee On:
Agriculture & Natural Resources

Title: An act relating to the dairy products commission.

Brief Description: Regarding the dairy products commission.

Sponsors: Representatives Buys, Lytton, Chandler, Blake, Fagan, Wilcox and Overstreet.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/18/12, 1/24/12 [DPS].

Brief Summary of Substitute Bill

- Makes administrative changes to the composition of the Dairy Products Commission and the commissioner nomination process.
- Changes the existing seven geographic districts to four districts.
- Allows additional dealer participation on the Dairy Products Commission and the addition of ex-officio members.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Blake, Chair; Stanford, Vice Chair; Chandler, Ranking Minority Member; Buys, Kretz, Lytton, Orcutt and Pettigrew.

Staff: Jason Callahan (786-7117).

Background:

The Dairy Products Commission (Commission) is an agricultural commodity commission that exists to enhance the reputation and image of Washington's agriculture industry, increase the sale and use of Washington's dairy products in local, domestic, and foreign markets, protect the public by educating in reference to the quality, care, and methods used in the production of Washington's dairy products, increase the knowledge of the health-giving

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qualities and dietetic value of dairy products, and support and engage in programs or activities that benefit the production, handling, processing, marketing, and uses of dairy products produced in Washington.

The Commission is composed of up to nine members. Seven members must be producers of dairy products and represent a geographical district in the state. The two additional members are a dairy products dealer and the Director of the Department of Agriculture (Director). The Director is responsible for making all appointments to the Commission from candidates who are nominated from local dairy producers. These candidates must forward a letter to the Director outlining his or her interest in serving on the Commission. If more than two candidates are nominated, then the Director must hold an advisory vote that solicits the opinion of the dairy producers in the district where the vacancy has occurred. The Director may select one of the nominated candidates or refuse to appoint all of the candidates and request a new round of nominations and advisory groups.

Each dairy producer member of the Commission must be a citizen and resident of this state and the district which he or she represents and have been actually engaged as an owner or shareholder in producing dairy products within this state for the last five years preceding his or her election. The dealer member must be actively engaged as a dealer in dairy products or employed in a dealer capacity as an officer or employee at management level in a dairy products organization.

The Commission has the administrative authority to determine the geographic districts of the state. The boundaries of the Commission districts must, with some exception, assure that each producer has representation on the Commission which is reasonably equal with the representation afforded all other producers by their commission members.

The Commission currently has seven districts:

1. Eastern Washington;
2. Central Washington;
3. Northern Whatcom County;
4. Southern Whatcom/Northern Skagit counties;
5. Southern Puget Sound and the Olympia Peninsula;
6. Northern Puget Sound; and
7. Southeast Washington.

Summary of Substitute Bill:

Administrative changes to the composition of the Dairy Products Commission (Commission) and the commissioner nomination process are made. The administratively-determined existing seven regions are changed to four statutorily-created regions. In addition to the four Commission members representing geographic districts, the Commission is served by one member serving at-large from western Washington, one at-large member from eastern Washington, and a final member that serves at-large from the entire state. The Commission does maintain the authority to adjust the statutorily-created districts. A review of the district boundaries and areas must be completed every five years.

A timeline and process for making appointments to the redistricted Commission are provided. The re-appointment process provides new, staggered term expiration dates to ensure minimal annual disruption among Commission members. All existing members of the Commission are retained and assigned to either one of the Commission district-specific positions or one of the at-large positions. All future nominees must actually have part of their professional activities occur in Washington.

In addition to the nine required Commission members, the Commission may also allow for the appointment of additional dealer members and up to three non-voting Commission members. The non-voting members must bring the Commission an expertise in marketing, operations, or other subjects relevant to the work of the Commission. Non-voting members serve one-year renewable terms.

In making nominations, the Director of the Department of Agriculture (Director) is not required to conduct an advisory vote if there are only two nominees. The Director also has the discretion to waive the requirement that all nominees submit a letter of interest. The options for the Director regarding nominees remain the same. However, if the Director rejects all nominees, and no new candidates are nominated within 30 days of a request for new nominees, the Director may directly nominate candidates for an advisory vote.

Substitute Bill Compared to Original Bill:

The substitute bill removes the title "ex officio" from the non-voting members that the Dairy Products Commission may add to their ranks. The qualifications and duties of the non-voting members remain unchanged.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) It has been over 40 years since the Dairy Products Commission (Commission) has revisited how the districts comprising the Commission were designated. In that time, the industry has undergone significant changes and these new districts would be in line with the new realities of the industry. Having at-large members serve the Commission is a new idea for the Commission, but the reality is that it is increasingly difficult to find qualified candidates from specific geographic districts. At-large candidates will allow the Commission to consider the needs of regional production bases and ensure adequate representation.

The bill is the product of extensive stakeholder work.

(Opposed) None.

Persons Testifying: Representative Buys, prime sponsor; Jay Gordon, Washington State Dairy Federation; and Steve Matzen, Washington Dairy Products Commission.

Persons Signed In To Testify But Not Testifying: None.