

HOUSE BILL REPORT

2SSB 5045

As Reported by House Committee On:

Rural Development, Agriculture & Natural Resources

Title: An act relating to expanding opportunities for meat and poultry processing and inspection.

Brief Description: Expanding opportunities for meat and poultry processing and inspection.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Warnick, Lovelett, Robinson, Rolfes, Schoesler, Short and Van De Wege).

Brief History:

Committee Activity:

Rural Development, Agriculture & Natural Resources: 3/19/21, 3/26/21 [DP].

Brief Summary of Second Substitute Bill

- Creates the Meat and Poultry Processing and Marketing Assistance Program.
- Directs the Washington State Department of Agriculture to work with the United States Department of Agriculture to negotiate a cooperative agreement in order to operate a state meat and poultry inspection program.
- Directs the State Conservation Commission to establish a grant program to provide funding for meat and poultry processing facilities in conservation districts.

HOUSE COMMITTEE ON RURAL DEVELOPMENT, AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass. Signed by 13 members: Representatives Chapman, Chair; Shewmake, Vice Chair; Chandler, Ranking Minority Member; Dent, Assistant Ranking

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

Minority Member; Klicker, Kloba, Lekanoff, McEntire, Morgan, Orcutt, Ramos, Schmick and Springer.

Minority Report: Without recommendation. Signed by 1 member: Representative Fitzgibbon.

Staff: Rebecca Lewis (786-7339).

Background:

Meat and Poultry Processing.

United States Department of Agriculture Authority.

All meat and poultry for public sale is inspected by the United States Department of Agriculture (USDA) in compliance with the federal Meat Inspection Act and Poultry Products Inspection Act. The USDA has delegated to the Washington State Department of Agriculture (WSDA) the authority to conduct meat inspections for certain facilities that only slaughter or prepare meat for consumption by the owner of the animal. The USDA has also delegated authority to the WSDA to allow for the slaughter, preparation, and sale of 1,000 or fewer birds per calendar year, which the WSDA does through a special poultry permit.

Washington State Department of Agriculture Authority.

The Animal Health Program within the WSDA is charged with protecting animals and the public from communicable animal diseases. The WSDA Food Safety Program licenses custom meat businesses to slaughter or process uninspected meat food animals such as cattle, sheep, goats, and swine for the sole consumption of the owner.

There are three types of facilities that slaughter or prepare meat for consumption by the owner of the animal:

- custom meat facilities, which are facilities that process meat;
- custom farm slaughterers, which are mobile slaughter units either at the animal owner's farm or an approved site; and
- custom slaughter establishments, which are fixed slaughter facilities.

Before issuing any license to operate as a custom farm slaughterer, custom slaughtering establishment, or a custom meat facility, the WSDA must inspect the facility and equipment. Custom facilities may not sell any meat that is processed in the facility. Instead, custom facilities slaughter or process animals for end use by the owner of the animal. The custom facility owner is paid by the owner of the animal to slaughter the animal and prepare the meat. The meat may not be sold either wholesale or retail.

State Conservation Commission and Conservation Districts.

The State Conservation Commission (Commission) was created by the Legislature in 1939 to support conservation districts (districts) through financial and technical assistance, administrative and operational oversight, program coordination, and promotion of district activities and services. The Commission has several duties, including to assist the supervisors of districts, keep the supervisors of each district informed of the activities and experiences of other districts, and facilitate an exchange of advice and experience between districts. Districts work with landowners on a voluntary basis, providing incentive-based conservation help on private lands.

Summary of Second Substitute Bill:

Department of Agriculture.

Meat and Poultry Processing and Marketing Assistance Program.

The Meat and Poultry Processing and Marketing Assistance Program (Assistance Program) is created with the stated purpose of assisting small and midsize farms and processors to explore options to expand capacity for processing meat or meat and poultry for sale and direct marketing. The Assistance Program must perform a variety functions to achieve this end including:

- assisting farms in complying with state, federal, and local rules and regulations that apply to meat and poultry processing;
- assisting in the development of infrastructure such as custom meat facilities, and slaughter facilities inspected by either the United States Department of Agriculture (USDA) or the Washington State Department of Agriculture (WSDA) under a cooperative agreement with the USDA;
- providing information on direct marketing opportunities for farms;
- identifying and help to reduce market barriers facing farms in direct marketing;
- identify and help reduce barriers facing processors in operating slaughter facilities;
- assist in developing and submitting proposals to grant programs to assist farm direct marketing efforts; and
- perform any other functions that will assist farms in directly marketing their meat and poultry products.

State Meat and Poultry Inspection Program.

The WSDA must work with the USDA to negotiate a cooperative agreement in order to operate a state meat and poultry inspection program.

Reporting.

The WSDA must collect data and report to the Legislature by December 31, 2021, on both the Assistance Program and progress on a cooperative agreement with the USDA to operate a state meat and poultry inspection program. At a minimum, the report must include information related to meat and poultry facility needs and information related to negotiations with the USDA to enter into a cooperative agreement to conduct state inspections of meat and poultry facilities.

State Conservation Commission.

The Conservation Commission (Commission) must develop a grant program to provide funding for conservation districts (districts) for in-district meat and poultry processing and inspection. Grant funding may also be used by districts to establish a mobile slaughter unit or provide other infrastructure necessary to provide for the retail sale of meat or poultry. In developing the grant program, the Commission must conduct outreach to districts, Washington State University, and the Food Policy Forum for input. Establishment of the grant program is subject to appropriation.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The COVID-19 pandemic amplified the weaknesses in our food supply chain and food security. This bill will help small and mid-sized processors develop and access the resources they need, including infrastructure. The Conservation Commission (Commission) has stepped up to offer grants and education for those who would like to go into the business of meat processing. When the bill was heard in the Senate, there were over 1,200 interested in the issue. Several conservation districts have explored using mobile slaughter units, including Pierce Conservation District.

(Opposed) Despite the well-meaning intent of the bill, there is some naivete in the policy. About 10 years ago, the Washington State Department of Agriculture (WSDA) conducted a study finding that there would be no substantive benefits to this kind of program. The idea of a cooperative agreement with the United States Department of Agriculture (USDA) is a redundant service. The Federal Meat Inspection Act is over 100 years old, and only has one exemption, which is the custom meat exemption. The state has an easy to access custom meat program. The Island Grown Food Cooperative has been successful in operating a USDA inspected mobile processing unit. The Federal Poultry Inspection Act has two exemptions, and the state administers both: the 1,000 bird limit through a special poultry

permit; and the 20,000 bird exemption through the food processing license. Poultry should not have been included in this bill.

(Other) The WSDA is neutral on the bill since it is not funded in the Governor's budget. The WSDA appreciates the attention given to addressing the shortfalls and bottlenecks in butchering and processing facilities, and the practical approach this bill takes. The WSDA was able to provide a grant to small and mid-size processors with funding from the Federal Coronavirus Aid, Relief, and Economic Security Act. There is a need for access to capital, technical assistance, education, and training. This policy could help food insecurity as it would allow more meat to be purchased in bulk, which often costs less per pound of product. Butchers have been working diligently to ensure meat can be quickly and effectively processed.

Persons Testifying: (In support) Senator Warnick, prime sponsor.

(Opposed) Fred Berman.

(Other) Ron Shultz, Washington State Conservation Commission; Pam Lewison, Washington Policy Center; and Laura Raymond, Washington State Department of Agriculture.

Persons Signed In To Testify But Not Testifying: None.