

SENATE BILL REPORT

SB 5045

As Reported by Senate Committee On:
Agriculture, Water, Natural Resources & Parks, January 21, 2021
Ways & Means, February 15, 2021

Title: An act relating to establishing a state meat and poultry inspection program.

Brief Description: Establishing a state meat and poultry inspection program. [**Revised for 2nd Substitute:** Expanding opportunities for meat and poultry processing and inspection.]

Sponsors: Senators Warnick, Lovelett, Robinson, Rolfes, Schoesler, Short and Van De Wege.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/14/21, 1/21/21 [DPS-WM].
Ways & Means: 2/08/21, 2/15/21 [DP2S].

Brief Summary of Second Substitute Bill

- Creates the Meat and Poultry Processing and Marketing Assistance Program to assist small and mid-size farms and small and mid-size processors in exploring options to expand capacity for processing meat, or meat and poultry for sale and direct marketing efforts.
- Requires the Washington State Department of Agriculture to work with the United States Department of Agriculture to negotiate a cooperative agreement to operate a state inspection program.
- Requires the Conservation Commission to establish a grant program to provide funding to districts to provide access to meat and poultry processing and inspection within the district.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

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.

Majority Report: That Substitute Senate Bill No. 5045 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Van De Wege, Chair; Salomon, Vice Chair; Warnick, Ranking Member; Honeyford, Rolfes, Short and Stanford.

Staff: Karen Epps (786-7424)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5045 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Schoesler, Assistant Ranking Member, Capital; Braun, Carlyle, Conway, Darneille, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Liias, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wellman.

Staff: Jed Herman (786-7346)

Background: Washington State Department of Agriculture. The Washington State Department of Agriculture (WSDA) Animal Health Program 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.

Public Sale of Meat. All meat for public sale is inspected by the United States Department of Agriculture (USDA) in compliance with the federal Meat Inspection Act. USDA delegated to WSDA authority to conduct meat inspections for certain facilities that only slaughter or prepare meat for consumption by the owner of the animal. USDA also delegated authority to WSDA to allow for the slaughter, preparation, and sale of 1000 or fewer birds per calendar year.

Custom Meat. Custom farm slaughterers, custom slaughtering establishments, and custom meat facilities must be licensed by WSDA. Before issuing any license to operate as a custom farm slaughterer, custom slaughtering establishment, and a custom meat facility, WSDA must inspect the facility and equipment. Custom farm slaughterers are mobile slaughter units to prepare meat food animals for the consumption of the owner of the animals, done on the owner's farm or at an approved site. A custom slaughtering establishment is a fixed facility to slaughter meat food animals for the owner. A custom meat facility is a facility operated by a person licensed to prepare uninspected meat for the sole consumption of the owner.

Conservation Commission and Conservation Districts. The 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 Bill (Second Substitute): The Meat and Poultry Processing and Marketing Assistance Program is created to assist small and mid-size farms and small and mid-size processors in exploring options to expand capacity for processing meat or meat and poultry for sale and direct marketing efforts. In carrying out this duty, the program must: assist farms in complying with federal, state, and local rules and regulations as they apply to direct marketing of meat and poultry products;

- assist in developing infrastructure including, but not limited to, custom meat facilities, slaughter facilities inspected by USDA, and slaughter facilities inspected by WSDA under a cooperative agreement with USDA as appropriate to increase direct marketing opportunities for farms;
- assist processors in complying with federal, state, and local rules and regulations as they apply to processing meat and poultry and the marketing of meat and poultry;
- assist in developing, in consultation with Washington State University extension, training opportunities or apprenticeship opportunities for slaughterers or inspectors;
- provide information on direct marketing opportunities for farms;
- identify and help reduce market barriers facing farms in direct marketing;
- Assist in developing, in consultation with Washington State University extension, training opportunities or apprenticeship opportunities for slaughterers or inspectors;
- assist in developing and submitting proposals to grant programs to assist farm direct marketing efforts; and
- perform other functions that will assist farms in directly marketing their meat and poultry products.

WSDA must work with USDA to negotiate a cooperative agreement in order to operate a state inspection program. WSDA must collect data on program activities, including information related to meat and poultry processing facility needs and information related to those negotiations, and report to the Legislature by December 31, 2021. The Commission must establish a grant program to provide funding to districts to provide access to meat and poultry processing and inspection within the district. Grant funding may be used to establish a mobile slaughter unit in the district or to provide needed infrastructure to provide for the retail sale of meat or poultry. The Commission must conduct outreach and coordinate with various partners in developing the grant program. The grant program is subject to amounts appropriated.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second

Substitute):

- Requires the State Conservation Commission to conduct outreach and coordinate with various partners in developing the grant program.
- Makes the grant program subject to the availability of amounts appropriated for this specific purpose.

EFFECT OF CHANGES MADE BY AGRICULTURE, WATER, NATURAL RESOURCES & PARKS COMMITTEE (First Substitute):

- Removes the provisions establishing a state meat and poultry inspection program only if the WSDA has full federal approval for a state program.
- Creates the Meat and Poultry Marketing Assistance Program within the WSDA, providing service to small and midsize farms and small and midsize processors.
- Directs WSDA to work with USDA to negotiate a cooperative agreement in order to operate a state inspection program.
- Directs WSDA to report on the program, meat and poultry processing facility needs, and information related to the negotiations to enter into a cooperative agreement with the USDA.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill (Agriculture, Water, Natural Resources & Parks): *The committee recommended a different version of the bill than what was heard.* PRO: The pandemic impacted food distribution streams and this bill will provide more access for consumers to obtain protein and also provide a good outlet for producers. This bill will change the way that a small farmer can provide their product to the public and send the product to market. Farmers have to travel several hours to have their beef processed and mobile slaughter facilities will help farmers provide a better product. Consumers want to buy individual packages from their local farmers. This bill will give producers the opportunity to set prices for their product and sell their product on an individualized basis through direct marketing. Bringing a good, safe state inspection program will greatly increase Washington's food security. This bill will provide more outlets for producers to get their meat processed and will provide more sources and opportunities for consumers to access locally grown and inspected protein for their families. A state-based inspection program will create another option for farmers to process their meat, which ensures that their animals are being processed on time.

CON: For many small-scale operations, the USDA system is too cumbersome and time consuming. Creating a WSDA system will do little to resolve those issues. Custom exempt processors would have to upgrade their facilities to meet the federal requirements under a state program, not currently feasible for most processors. There are not enough processors to meet demand—they are aging out and their equipment is outdated, and this bill does not address this problem. There needs to be training programs and financial and educational help for processors who want to improve their facilities to meet USDA standards.

OTHER: This bill will establish a state program equivalent to USDA's inspection program, with a 50 percent federal match once the program is approved, which will take about two years. The bill recognizes that access to meat processing is a critical barrier to the success and growth of farms in the state. Small meat processors have been operating in aging buildings, without funding to invest in new meat cutting equipment, while also struggling to find and keep skilled staff. The way to help farmers is to increase access to and capacity of small processors by providing grants for upgraded equipment and infrastructure needs, as well as business and technical assistance, and subsidizing on-the-job training programs.

Persons Testifying (Agriculture, Water, Natural Resources & Parks): PRO: Senator Judy Warnick, Prime Sponsor; James McPhee, McPhee Family Farms; Molly Linville, citizen; Caleb Gwerder, Washington Farm Bureau; Beau Henneman, Stevens County Cattlemens Association; Mark Streuli, Washington Cattlemens Association.

CON: Kevin Svik, Peninsula Harvest Mobile Slaughter; Micha Ide, Bright Ide Acres.

OTHER: Alyssa Jumars, citizen; Laura Raymond, Department of Agriculture.

Persons Signed In To Testify But Not Testifying (Agriculture, Water, Natural Resources & Parks): No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: Thank you for sponsoring a bill focused on a situation that has an immediate need. There is a need for greater access to meat processing services. We need grant money to go to private businesses to assist them in processing meat. We support the bill, we need more protein to get to the consumer.

OTHER: We need an increase in capacity for small and medium sized meat producers. Very pleased this bill is thoughtful about addressing the most immediate needs such as, access to processing facilities, technical assistance to processors, and education and training.

Persons Testifying (Ways & Means): PRO: Alyssa Jumars; Micha Ide, Bright Ide Acres; Ashley House, Washington Cattlemen's Association.

OTHER: Ron Shultz, Washington State Conservation Commission; Laura Raymond,

Washington Department of Agriculture.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.