

# SENATE BILL REPORT

## SB 5150

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As of January 19, 2023

**Title:** An act relating to the beef commission's levied assessment.

**Brief Description:** Concerning the beef commission's levied assessment.

**Sponsors:** Senator Shewmake.

**Brief History:**

**Committee Activity:** Agriculture, Water, Natural Resources & Parks: 1/19/23.

**Brief Summary of Bill**

- Increases the state portion of the beef checkoff fee from \$1 to \$2.50.
- Exempts \$1.50 of the \$2.50 state portion from being applied at the first point of sale for green tag calves.

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### SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

**Staff:** Delika Steele (786-7486)

**Background:** The Washington State Beef Commission (commission) was created by statute in 1969. It is composed of two beef producers, two dairy-beef producers, two feeders, one livestock saleyard operator, one meat packer, and a representative of the Department of Agriculture, who is a voting member.

A state assessment of \$1 per head of Washington cattle is levied at the sale of the cattle for the commission. The commission may collect an additional assessments of \$0.50 per head for cattle subject to assessment under a federal order for providing funds for a national beef promotion and research program.

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*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.*

Green tags are assigned to Grade A dairy cattle leaving the dairy business and entering the human food chain. The green tag is affixed to the calf's ear.

**Summary of Bill:** The commission's per head assessment is increased from \$1 to \$2.50 on all sales of Washington cattle, with the overall beef checkoff fee increasing to \$3.00. The \$1.50 increase will go to Washington State with the \$0.50 fee to the federal government remaining the same. At the first point of sale for a green tag calf, \$1.50 of the \$2.50 assessment may not be collected.

The commission must submit to a report to the Legislature describing the commission's activities and expenditures by January 1st of each year.

**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:** PRO: The current one-dollar check-off doesn't have the buying power that it did 22 years ago and buying power is shrinking because of inflation. A fee increase would be better for Washingtonians and businesses. The fee increase would be a good return on investment because for every dollar spent, about \$12 dollars goes back to the industry. An increase would not break the bottom line and would allow the commission to bolster advertising and consumer education, and do more to tell the story of producers. The checkoff program is currently delivering on its mission but needs more money to keep up with current trends. A majority of stakeholders surveyed support the fee increase, with some willing to increase the fee by \$3.50 for an overall fee of \$5. A onetime fee for the sale of dairy animals is not supported. The idea of an animal changing hands is already considered in the current beef checkoff fee. A brand inspection fee is collected every time an animal is sold and it would be the same thing for the beef checkoff fee.

An equivalent fee is paid for cattle at the border and an additional \$1.50 once in the state.

CON: The increase is not supported primarily because of uncollected revenue. Cattle imported and sold at auctions and slaughter far exceed the assessments currently collected. Removing collection points from sale barns to a single location where you could collect one time and to points of imports would be supported.

**Persons Testifying:** PRO: Senator Sharon Shewmake, Prime Sponsor; Jay Theiler, Washington Beef; Jack Field, Executive Director, Washington Cattle Feeders Association; Jack Field, self; Kallie Harder, Washington Farm Bureau - Young Farmers and Ranchers

Committee; Dan Wood, WA State Dairy Federation; Jennifer Colvin, Colvin Ranch; Fred Colvin; Mark Streuli, Washington Cattlemen's Association; Jeff Keane, President, Washington State Cattlemen; Mike Hajny, Member, Kittitas County Cattlemen; Bill Sieverkropp, Member, Grant County Cattlemen.

CON: Nate Hair, CPoW.

**Persons Signed In To Testify But Not Testifying:** No one.