

SENATE BILL REPORT

SB 5474

As of February 3, 2025

Title: An act relating to expanding opportunities for organic, regenerative, climate-smart, and sustainable producers.

Brief Description: Expanding opportunities for organic, regenerative, climate-smart, and sustainable producers.

Sponsors: Senators Liias, Muzzall, Chapman, Hasegawa, Nobles and Stanford.

Brief History:

Committee Activity: Agriculture & Natural Resources: 2/03/25.

Brief Summary of Bill

- Directs the Washington State Department of Agriculture to develop an Organic Agriculture Action Plan.
- Creates a microgrant program to support the growth of organic, regenerative, and sustainable climate-smart agriculture.
- Allows for the modification of the organic certification fee schedule to decrease the financial burden of organic certification.

SENATE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

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Background: Organic Agriculture. The National Organics Program is operated by the United States Department of Agriculture (USDA) and regulates the standards required to

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label a product as certified organic. To sell, label, or represent products as organic, operations must follow all specifications set out by the USDA organic regulations, including being certified by a USDA accredited certification agency.

The State Organics Program, administered by the Washington Department of Agriculture (WSDA), is accredited as a certification agency by USDA. The State Organics Program provides certification to Washington State businesses that grow organic and transitional crops, raise certain organic livestock, and handle and process organic crops and products. There are five steps to obtain organic certification, including:

- the operation completes an application and develops an Organic System Plan (OSP);
- the operation implements the OSP, and the certifier reviews the OSP;
- the certifier's inspector completes an onsite inspection of the operation to evaluate the implementation of the OSP and the operation's compliance with the USDA organic regulations;
- the certifier reviews the inspection report; and
- the certifier decides whether to grant certification to the operation.

A certified operation must annually submit an updated OSP and fees to its certifier and certifiers must inspect the operation to determine whether to continue the operation's organic certification.

WSDA may adopt rules for certifying producers, processors, and handlers as meeting state, national, or international standards for organic or transitional products. The rules must include a fee schedule and fees must cover the full cost of the State Organics Program.

Summary of Bill: Organic Agriculture Action Plan. The WSDA is directed to develop an Organic Agriculture Action Plan, including recommendations on:

- barriers to achieving organic certification;
- opportunities to expand organic markets and acreage;
- opportunities to support job creation and retention in the organic sector, emphasizing entry to organic farming by youth; overburdened communities; and black, indigenous, and other people of color;
- inventorying and identifying gaps in existing extension, training, and technical resources;
- ways to improve organic infrastructure and partnerships between organic producers and processors, distributors, and financial institutions; and
- identifying data sources and data collection opportunities to quantify the benefits and impacts of organic and regenerative farming on eight topics.

The WSDA is further directed to consider the work and recommendations of the Washington Soil Health Initiative, include recommendations for action, and report to the Legislature by June 1, 2027.

Microgrant Program. The WSDA is directed to contract with a nonprofit organization to

administer a low barrier microgrant program to support the growth of organic, regenerative, and sustainable climate-smart agriculture. The nonprofit must be a 501(c)(3) organization that can demonstrate more than five years of experience awarding grants of less than \$25,000 to state farm businesses with the primary purpose of supporting implementation of sustainable agricultural practices.

The nonprofit's administrator is authorized to award grants of up to \$25,000 to any producer that has been in operation for at least two years and that currently employs, is implementing, or is seeking to implement, practices adhering to regenerative, sustainable, climate-smart, or organic principles on at least some of the land farmed or ranched. The administrator is encouraged to award more than one cycle of funding each year and supplement the program with private philanthropic funding if practicable.

The nonprofit administrator must prioritize projects in overburdened communities or led by members of vulnerable populations, and projects that:

- implement or enhance climate-smart and regenerative practices;
- measure and enhance carbon sequestration;
- reduce greenhouse gas emissions;
- restore soil health;
- utilize cover crops;
- preserve and create habitats;
- increase biodiversity; or
- employ environmentally safe waste management practices.

The nonprofit administrator must report annually to WSDA on a number of factors including the total amount of funds awarded, the number of farm businesses that received a grant, and a summary of projects located in overburdened communities or led by members of vulnerable populations.

Organic Certification Fees. The fee schedule may be modified to the extent that funds are appropriated to WSDA for the specific purpose of reducing fees to decrease the financial burden to achieve or maintain organic certification.

Appropriation: The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

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: There is consumer demand for organic products, and investments in organic products protect the environment, shoppers,

farmworkers, and farmers. The organic sector in Washington has the potential to grow significantly, but it is not simple to adopt organic practices and more technical support is needed.

Forty percent of organic farmers include conventional acreage in their production, it is positive that this bill allows for split operations. This is a valuable opportunity for Washington to generate hard data about consumer demand for healthy food.

Farm expenses are blooming, labor availability is stalling, and farmers are aging out. Federal funding for organic farming has decreased recently. It is important for the state to fill that gap.

Tribally owned and operated businesses are often excluded from grant applications that prioritize nonprofits or cap gross sales.

Persons Testifying: PRO: Senator Marko Liias, Prime Sponsor; Maynard Mallonee, Mallonee Family Farm Llc; Charles Benbrook, Self; Benbrook Consulting Services; Mike Dill, Coalition for Organic and Regenerative Agriculture (CORA); Melissa Spear, Tilth Alliance; Matt Steinman, Foothills Farm; Councilman Jeremy Takala, Yakama Nation Tribal Council; Bonny Jo Peterson.

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