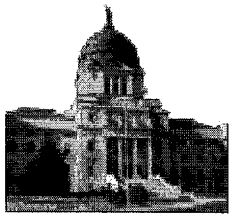

Legislative Background Brief

for the
Economic Affairs Interim Committee

January 2012

Organic Commodity Advisory Council

Prepared by Pat Murdo, Legislative Research Analyst

Administrative Appointments: By Department of Agriculture Director

Statutorily Established - 80-11-601, MCA, within Title 80, chapter 11, part 6 dealing with organic certification. Subsection (4) says that after the department receives and verifies a petition from 50% of more of Montana's certified organic producers, processors, and handlers that the department is to implement an organic certification program and establish an organic commodity advisory council.

Purposes:
By statute, advise the department on the organic certification program, regarding:

- rules to implement the program;
- appropriate research and market development programs for certified organic products and the terms for awarding research and marketing contracts;
- assessments to be paid on certified organic products "payable by certified organic producers, processors, and handlers... when approved by a majority of those producers, processors, and handlers..."; and
- collection and enforcement procedures for assessments.

By rule, review annually the state's certification program activities and a sampling of certification decisions.

Council Members: No specified number in statute. Rules provide for 8 members. Members must be: the director of the Department of Agriculture; a consumer member of the public at large; and 4 certified organic producers, 1 certified organic producer or handler representative appointed at large, and 1 certified organic handler who must be an owner or employee of a certified organic handler. (The statute allowed appointments of organic processors.) By statute the majority of the council must be organic producers.

Members/Address	Representing	Term Expires
Ron de Yong, Helena	Director, Dept. of Agriculture	NA
Kristina (Kiki) Hubbard, Missoula	organic consumers	8/19/2012
Matthew Johnson, Hinsdale	organic producers	8/19/2012
Ty O'Connor, Broadus	organic producers	8/19/2014
Catherine Odden, Dutton	at large public member	8/19/2014
Lise Rousseau, Polson	organic producer	8/19/2014
Greg Thayer, Great Falls	organic handler	8/19/2014
John Walkup, Ronan	organic livestock producer	8/19/2012

Budget
Annual meetings are not tracked separately from the program but are estimated by the department at $750 a year.

The organic program budget comes from application fees, fees for services, and annual assessment fees, all set by rule.

The assessment fees, found in 4.17.107 ARM, are:
- 1% of gross sales or organic crops, livestock, and products for certified producers.
- $25 for handlers whose gross sales and handling charges are less than $5,000 a year;
- $50 for handlers with annual gross sales and handling charges of $5,000 to $20,000;
- $100 for handlers with annual gross sales and handling charges of $20,001 to $40,000;
- $200 for handlers with annual gross sales and handling charges of $40,001 to $100,000;
- $500 for handlers with annual gross sales and handling charges of $100,001 to $250,000;
- $1,000 for handlers with annual gross sales and handling charges of $250,001 to $500,000;
- $2,000 for handlers with annual gross sales and handling charges of $500,001 to $1 million;
- $4,000 for handlers with annual gross sales and handling charges of over $1 million.

Examples of application fees for producers, found in 4.17.106 ARM, are:
- $165 for operations with less than $20,000 in gross annual sales;
- $200 for operations with between $20,000 and $100,000 in gross sales annually;
- $300 for operations with more than $100,000 in gross sales annually; and
- $150 for new certification applications.

Examples of application fees for handlers, found in 4.17.106 ARM, are:
- $215 for each facility with less than $20,000 in sales annually;
- $250 for each facility with annual sales of between $20,000 and $100,000;
- $400 for each facility with annual sales of more than $100,000.

Topics of Interest
- There is a continual review of production and handling standards, including what substances may be allowed or should be prohibited for use on organic products.

2011 Legislation Enacted Regarding Organic Agriculture
- None found