

STORAGE NAME: h4013.ag.doc
DATE: April 4, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
AGRICULTURE & CONSUMER AFFAIRS
ANALYSIS**

BILL #: HB 4013 (PCB AG 01-05)
RELATING TO: Organic Farming & Food Act
SPONSOR(S): Committee on Agriculture & Consumer Affairs (CCC) & Representative Spratt
TIED BILL(S): none

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) AGRICULTURE & CONSUMER AFFAIRS (CCC) YEAS 8 NAYS 0
 - (2)
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

HB 4013 repeals part II of chapter 504, F.S., eliminating the Florida Organic Farming and Food Law. Regulation of organic farming and food in Florida will fall under the United States Department of Agriculture and its recently adopted final national standards for the production, handling and processing of organically grown agricultural products.

The bill appears to have no fiscal impact on state or local government.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The Florida Organic Farming and Food Law was enacted by the 1990 Legislature to provide a regulatory framework to protect consumers, producers, and retailers who desire to purchase, market, or produce organic foods. The law was also to protect conventional agriculture and organic agriculture against false labeling, misleading advertising, and fraudulent practices in the marketplace.

On December 20, 2000, the United States Department of Agriculture (USDA) announced adoption of final national standards for the production, handling and processing of organically grown agricultural products. The standards go into effect 60 days after publication of the final rule on December 21, 2000, and require that state programs meet these new standards. Since the existing Florida program does not meet the new requirements, and since no funds are available to increase the state program to the new standards, the Department of Agriculture and Consumer Services (DACS) submitted to the Agriculture and Consumer Affairs Committee a request to repeal the state law and program and defer to the new federal standards for organics.

The new federal organics rule establishes a National Organic Program (NOP) under direction of the Agricultural Marketing Service (AMS), an arm of the USDA. The national program is intended to facilitate interstate commerce and marketing of fresh and processed food that is organically produced and to assure consumers that such products meet consistent, uniform standards. The program will establish national standards for production and handling of organically produced products, including a national list of substances approved and prohibited for use in the organic production and handling.

Eighteen months after the rule's effective date, all agricultural products sold, labeled, or represented as organic must be in compliance with these regulations. The USDA Seal may not be affixed to any "100 percent organic," or "organic," products until 18 months after the effective date of the final rule.

The new organic standard offers a national definition for the term "organic." It details the methods, practices and substances that can be used in producing and handling organic crops and livestock, as well as processed products. It establishes clear organic labeling criteria, and specifically prohibits the use of genetic engineering methods, ionizing radiation, and sewage sludge for fertilization.

All agricultural products labeled organic must originate from farms or handling operations certified by a state or private agency accredited by the USDA. Farms and handling operations selling less than \$5,000 worth per year of organic agricultural products are exempt from certification. Farmers and handlers have 18 months to comply with the national standards.

The rule will establish a national-level accreditation program to be administered by AMS for state officials and private persons wanting to be accredited as certifying agents. Under the program, certifying agents will certify that production and handling operations are in compliance with the requirements of the NOP and initiate compliance actions to enforce program requirements.

Under the NOP rule, state organic requirements cannot be less restrictive than NOP requirements. State organic programs can have more restrictive requirements than the NOP, however, these more restrictive requirements must be approved by the USDA and may only be approved if they are found to be necessary in light of a particular environmental condition or unique production or handling practice in the State.

In states with no approved state organic program, the USDA will administer and enforce the requirements of the NOP. The USDA will monitor any state, private and foreign certifying agents operating within a state to assure compliance with the national program.

The Organic Foods Production Act of 1990 (OFPA) authorizes the Secretary of Agriculture to approve state organic programs that are consistent with the national organic standards and regulations established under OFPA. According to the DACS, Florida's current program (part II of chapter 504, F.S.) does not meet the minimum standards for state program approval or accreditation by the USDA, and also currently lacks the funding and resources to implement those changes that are necessary to comply with the NOP.

C. EFFECT OF PROPOSED CHANGES:

The proposed bill repeals Florida laws regulating organic farming and food. Regulation of activities relating to production, handling, and processing of organically grown agricultural product will fall under the final national standards recently adopted by the USDA.

D. SECTION-BY-SECTION ANALYSIS:

Section 1: repeals sections 504.21 through 504.36, F.S., the Florida Organic Farming and Food Law.

Section 2: provides that the act shall take effect upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenue in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce any state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

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VII. SIGNATURES:

COMMITTEE ON AGRICULTURE & CONSUMER AFFAIRS:

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Susan D. Reese

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