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## AB 75 - Proposed Organic Law Changes

1. Passage of the 1990 Organic Foods Production Act--12 year delay in development of federal program regulations.

After the OFPA of 1990 became effective, it took until 2002 for the regulations to be written, discussed, commented on, rewritten and adopted. There were many discussions and debates on the content of the regulations with many different interests desiring to have input. The final product was the result of 12 years of compromise.

2. Why the department moved ahead to develop its own program and regulations

By the mid 1990's it was becoming apparent that the federal regulations were still several years away from being adopted. Many local producers and handlers were requesting a local certification program to allow their products to compete on an equal basis with those produced and certified in other states. In response, the department, with the help of many local producers, developed a state program to present to the 1997 legislature for approval.

3. Current status and success of the state program--How many participants are there currently in the state program?

There are currently 29 producers and handlers in the Nevada program representing a variety of products and services from many areas of the state (a list of all producers and handlers will be included in the information package).

4. Recent promulgation of federal program regulations and the need to modify existing state statutes for conformance.

Upon adoption of the regulations for the National Organic Program all certifiers, both private and public, operating in the US must be accredited by USDA. Once accredited, each certifier must follow the USDA regulations and procedures for the operation of their program. The original Nevada law contained provisions that are not allowed under the federal program and the purpose for the requested changes are to bring the Nevada program into compliance the federal program.

5. Brief overview for important bill sections in the order presented in the bill. What statute revision(s) are contained in each important bill section and why are these amendment(s) necessary? What do they accomplish? If a bill section is not important for the legislative committee to understand the scope or content of the proposed bill let's leave it out. If bill sections are similar and can be grouped together, let's present them in that manner. For example, the first four bill sections seem to me to be revisions in definitions to make our existing state statutes consistent with the definitions used in the federal regulations. If that is indeed the case, then just put this in a bullet to me and we can move quickly to more substantive sections of the bill.

- Sections 1-4 (NRS 587. 700 through 587.750) Removal of definitions of terms duplicated (and in conflict) with the federal rules.
- <u>Section 5</u> (NRS 587.800) Makes it optional rather than mandatory to provide a state organic certification program.

(certifiers must be accredited by USDA, there are many expenses involved and if income could not support the program the department may opt for no state program-private certifiers could provide the service but at an increased cost to participants mostly due to remoteness of production areas in Nevada)

• Section 6 (NRS 587.810) Purpose of the Advisory Council – role changed to include more educational and promotional activities relating to organic products rather than advice to the department on certification procedures.

(since our procedures are nearly 100% dictated by the federal program, there is little need to advise the department on program changes)

• <u>Section 7</u> (NRS 587.820 (2)) Changes the requirement for the advisory council from holding quarterly meetings to at least one meeting per year.

(the council does not receive funding for meeting expenses and since members live in all parts of the state, the meetings are big expense for members-also with the reduced role in advising the department, the need for more frequent meeting is reduced)

• <u>Section 8</u> (NRS 587. 830) Allows for the creation of standards for the registration of organic producers and handlers and collect fees for maintaining the program.

(this program would not be part of the certification process for producers and handlers but would be a regulatory program that may be initiated at some point to help monitor organic products in the marketplace and for ensuring compliance with the federal rules by exempted producers and handlers who are required to adhere to the these rules but not be certified)

Other questions that come to my mind that should be addressed in the section by section analysis includes:

- (a) Why are we eliminating the penalty statutes in this bill?
- Section 9 (NRS 587.850 through 587.850) Penalties for violations were removed. (penalties are not allowed under the federal rules, noncompliance issues are provided for in the federal rules by suspension or revocation of certification which includes an appeal process)

(b) What is the source of revenues to the department to administer and operate this program?

All organic certifiers must now be accredited by the USDA National Organic Program and are charged fees for this service.

Nevada organic producers and handlers pay fees to the department to become certified in the program and these fees were increased last year to recover the additional costs to the department of federal accreditation.

(c) Will the department be involved with organic certification? If not, who performs this service?

The department is now accredited by USDA to offer certification services for producers and handlers in Nevada. Private certifiers can certify crops in Nevada but costs to the participants are typically higher due to the distances from which they must travel to perform inspections. There are currently no private certifiers based in Nevada.