

**HOUSE COMMITTEE  
ON  
AGRICULTURE**

**House Bill 511**

**Testimony of Greg Ames, Administrator  
Montana Department of Agriculture**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Good afternoon, my name is Greg Ames. I am the Administrator of the Agricultural Science Division with the Montana Department of Agriculture. We understand the concept behind the bill and support small businesses, farmer markets, and other venues that promote "grow and buy local." The Department has some concerns with House Bill 511.

House Bill 511 seeks to change the Nursery Act and the Produce Act, both Acts support one of the department's top priorities - protecting the health and safety of Montana agriculture and consumers. This bill eliminates the licensing requirement of persons who sell nursery stock and produce at farmer's markets, and thereby, eliminates the ability of the department to directly track the products and provide information to vendors who are involved in the distribution of these types of agricultural products. Additionally, this bill reduces the number of licenses and thereby reduces the revenue collected by the department to operate these programs.

Because this bill affects two separate programs, I will begin with the Produce program. While we certainly support the growing and selling of local products. However, eliminating a portion of produce vendors from licensing makes it more difficult for the department to administer the Produce Act. Specifically, to collect and disperse information related to the quality of produce, to collect assessments required to operate the program, and to track the importation or movement of products in regard to the introduction and spread of disease or contamination. We are concerned that by exempting a larger number of market participants from the license requirement, it will be more difficult for the department to provide the safety net for Montana agriculture and its consumers.

In regard to the nursery program, the department has several objectives: consumer protection, information and awareness, and a vibrant and healthy nursery industry. A healthy nursery industry, in turn, protects the health of all Montana agriculture. It is vitally important to the department that every nursery in the state have a license. The department needs the ability to identify and contact nurseries to communicate pest risks, identify sources of pests, diseases, and contamination, conduct trace-forwards, trace-backs, and other preventative, management, and control activities associated with investigations.

The ability to accomplish the responsibilities and tasks associated with promoting and protecting agriculture comes at a cost. License fees provide 98 percent of the nursery program's revenue. In FY 2008, license fees generated \$104,880 in program revenue. House Bill 511 seeks to change the fee structure, resulting in an \$11,400 reduction of revenue. This represents an 11 percent negative impact to the program.

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We can certainly appreciate the concerns that are trying to be remedied by HB 511 and the many other bills introduced on this matter, and we would be open to amendments or a compilation of the bills in seeking a solution. However, the department has a statutory obligation to administer the produce and nursery programs and we cannot accomplish that with reduced revenue. We have to be able to pay for the services that provide the protection that ensures the health and safety of all Montana agriculture. Any proposed changes to the current fee structure within the department needs to be revenue neutral, having no fiscal impact.

I urge your careful consideration of the impacts of the bill. As currently proposed, the department of agriculture cannot support House Bill 511.