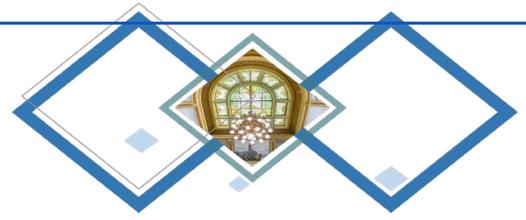


For January 15, 2020

Economic Affairs Interim Committee
Compiled by Pat Murdo, Committee Staff



OVERVIEW: ORGANIC COMMODITY ADVISORY COUNCIL

The Organic Commodity Advisory Council, established under 80-11-601, MCA, is to advise the Department of Agriculture on administrative rules intended to implement the state's organic certification program. Other responsibilities include:

- Advising on research and marketing programs for certified organic products;
- Determining assessments, assessment collection, and enforcement once a majority of producers, processors, and handlers approve assessments to fund the state organic certification program;
- Advising on penalties and enforcement for violations; and
- Advising on the awarding of research and marketing contracts.

Council Members	Representing	Term Expires
Ben Thomas, Helena	Department Director	Statutory
Pat Carr, Moccasin	Consumer/Education	8/19/2022
Matt Johnson, Hinsdale	Producer	8/19/2020
Ty O'Connor, Ekalaka	Producer	8/19/2020
Catherine Odden, Dutton	At-large Representative	8/19/2020
Lindsey Aull, Hamilton	Producer	8/19/2022
Nate Powell-Palm, Bozeman	Livestock	8/19/2022
Sam Schmidt, Great Falls	Handler	8/19/2019

History

The organic certification statutes, enacted in 1999, provided that if Montana's Department of Agriculture received and verified a petition requesting the state to develop a state organic certification program then, once the program received approval from the U.S. Secretary of Agriculture, an advisory council was to be formed as part of the program. Membership includes the director of the Department of Agriculture, a consumer, processors and handlers, and a majority representing certified Montana organic producers.

Status

Growth in organic certifications completed by the department have increased more than 10% every year between FY2014 and FY2019. In FY2019, net certifications increased 11.1% to 309 total producer and handler operations.

- Montana in 2017 was #2 in the US in certified organic acres in crop production and pasture at 266,048 acres.
- On average 60% of certification inspections are completed by departmental staff and 40% are completed by certified contractors.

The U.S. Department of Agriculture's Agricultural Marketing Service has an Organic Certification Cost Share Program (OCCSP) that provides a grant by which Montana's ag department can reimburse certification fees to producers and handlers (maximum of \$750 per certification organic scope). The cost share program administered by the department reimburses certified operations for approximately \$180,000 of the annual certification fees.

Duties/Goals

In addition to the duties listed above, the Advisory Council's rules require annual reviews of certification program activities, including a sampling of certification decisions, as provided in ARM 4.17.103.

Goals of the organic certification program, as stated on the Department of Agriculture [website](#), are to:

- Provide professional, efficient, and objective organic certification services to producers and handlers;
- Facilitate the growth and success of organic agriculture in Montana; and
- Protect consumers by monitoring and enforcing compliance with state and federal laws governing organic production, handling, and product labeling.

Funding

A state special revenue account, provided for in 80-11-602, MCA, allows receipt of gifts, grants, or donations for development and administration of the state organic certification program. Also allocated to the account are assessments, penalties, and fees related to the organic certification program.

Operating Expenses		Funding	
FY2018			
Personnel Services	\$219,834	General Fund	\$0
Operating Expenses	\$87,830	State Special:	
<u>Indirect</u>	\$52,246	Assessments	\$484,452
<u>Total</u>	\$359,910	<u>Penalties</u>	\$3,120
		<u>Total</u>	\$487,572

Possible Topics of Interest

- Both the department and private contractors license and certify organic operations. Some of the contractors work under hire for the department and some can be hired independently. The purpose of the department doing the certification is to help exporters whose products are sold to countries that value government-certified products.