
CHAPTER TEN

IMPROVING AGRICULTURE

1. Policy Recommendation: Base state regulation of agriculture on enacted law, not on rulings in lawsuits

Agriculture is one of the most important sectors of the Washington state economy. The state has four attributes that make it a food production powerhouse: a diverse climate, rich soil, abundant water and hard-working people. Throughout Washington’s history, agriculture has been central to the state’s development and economic success. Currently, agricultural businesses add \$51 billion a year to the state’s annual productivity, and the agricultural sector makes up more than 13 percent of the state’s economy.¹

Generating jobs and tax revenue

More than 300 different crops are grown in Washington, a diversity of food production second only to California’s. More than 39,000 farms are located in Washington, from the fertile valleys of Snohomish County to the drier areas of Eastern Washington. The counties that play the largest role in the agricultural economy are Grant and Yakima, which are home to 4,700 farms and \$3.41 billion yearly in combined economic output.²

There are more than 200 food processing companies in the state and the number of people working in farming and food processing surpasses 160,000, more than the combined in-state employment of

1 “Agriculture’s contribution to Washington’s economy, Total economic impact,” Washington State Farm Bureau, accessed May 25, 2016, at <https://wsfb.com/agricultures-contribution-to-washingtons-economy/>.

2 “Agriculture: A Cornerstone of Washington’s Economy,” Market value of crops and livestock and number of farms by county from 2012 Census of Agriculture, USDA, Washington State Department of Agriculture, accessed May 25, 2016, at <http://agr.wa.gov/AgInWa/docs/126-CropMap2015-ForCopier.pdf>.

Microsoft and Boeing.³

In addition to economic output, farm families contribute enormously in yearly revenue to local communities and to the state to fund essential public services. To cite just one example, property taxes paid by farmers and agricultural businesses exceed \$230 million per year.⁴

Confusing network of regulations

Farmers prefer to spend their time in the fields or tending livestock, but their productive time is often consumed with bureaucratic red tape from Olympia or with legal action brought by political activists located in cities hundreds of miles away. The result is a confusing and constantly-shifting network of burdens and restrictions imposed by judges and regulators.

Instead of being governed by reasonable laws enacted by their elected representatives, farm families find themselves subjected to arbitrary dictates imposed by distant and aggressive political interests.

In recent legislative sessions, lawmakers have considered bills to improve the regulation of agricultural production based on enacted legal authority. This policy approach has the support of legislators of both parties and would give farmers clear direction about the state's rules for growing and producing food.⁵

3 “Review of the food processing industry in Washington,” Working paper commissioned for the Future of Farming Project, Processing Meeting - 2008, Washington State Department of Agriculture, 2008, page 7, at <http://agr.wa.gov/fof/docs/MajorFoodProcessing.pdf>.

4 “Washington Agriculture, Strategic Plan, 2020 and Beyond,” Future of Farming, Washington State Department of Agriculture, February 2009, page 13, at <http://agr.wa.gov/fof/docs/FutureofFarmingReport-PrinterFriendly.pdf>.

5 House Bill 2840, 2015-16 regular legislative session, Washington State Legislature, introduced January 28, 2015, at <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2840&year=2015>.

For example, the proposed bipartisan approach would put the regulation of water quality associated with animal feed operations, like dairies, under the jurisdiction of the state Department of Ecology and state Department of Agriculture. These agencies would be specifically directed to write rules clearly based on state laws.

Basing regulation on clearly-defined law

Radical environmental groups oppose this approach because it would limit their ability to sue farmers in court and put family dairies out of business. A paid lobbyist for the Sierra Club said the state Department of Agriculture should not regulate Washington’s dairies, because the agency’s mission is to “promote agriculture.”⁶

Hostile attitudes like this make it impossible for farmers to produce food within a system of commonsense and predictable regulation. Lawmakers should ensure that state rules for agriculture are founded on clearly-defined laws, not the unpredictable and controversial rulings imposed by the courts and executive branch agencies.

6 “Environmentalists blast House dairy bill over lawsuits; Environmental groups hammered a House bill that would strengthen state oversight of Washington dairies, while blocking federal lawsuits against farmers,” by Don Jenkins, *Capital Press*, January 29, 2015, at <http://www.capitalpress.com/Dairy/20160129/environmentalists-blast-house-dairy-bill-over-lawsuits>.

2. Policy Recommendation: Do not impose a mandatory cap-and-reduce system on food production

Governor Jay Inslee said he wants to impose caps on greenhouse gas emissions from refineries and food producers.⁷ The regulations would target fertilizer makers and food processing facilities in Eastern Washington, raising costs and reducing job opportunities, with little or no environmental benefit.

The governor said he wants to impose fines of up to \$10,000 a day. In addition, the governor wants to encourage companies that close operations and cut jobs in Washington to sell credits for carbon reductions beyond the targets set in the regulation. Essentially, the governor says he wants to punish refinery owners and food producers for keeping jobs in the state, and to pay them for sending jobs elsewhere.

Under the proposed rules, food producers would find that selling carbon credits created by the state would be more profitable than creating jobs and producing food for consumers. Yet the amount of estimated carbon reduction would be so small it would have almost no impact on global climate trends.

The governor's policy approach would work directly against the public interest in Washington, and would particularly hurt families and workers in the state's agricultural sector. Lawmakers should avoid this top-down policy approach, because it would impose a heavy burden on Washington citizens while doing little for the environment.

⁷ "Carbon cap plan would hit fertilizer, food processors; The Washington Department of Ecology has proposed a cap-and-reduction measure for manufacturers," by Don Jenkins, *Capital Press*, January 7, 2016, at <http://www.capitalpress.com/Washington/20160107/carbon-cap-plan-would-hit-fertilizer-plant-food-processors>.

3. Policy Recommendation: Maintain public access to Washington ports

Washington farmers produce food for a global market. Government agencies operate a system of modern port facilities built and maintained in part with tax money. Without public access to the state's ports, Washington's agricultural sector would shrink to a fraction of its current size.

In 2014, the state exported more than \$16 billion worth of food and agricultural products to people around the world, half of which was grown or raised in Washington.⁸ To cite one example, Washington is a top exporter of food to Asia. Beneficiaries of Washington crops include people in Japan, China, South Korea and the Philippines. Modern transport allows Washington farmers to improve nutrition and vary the diets of millions of people worldwide.

The ports of Seattle, Tacoma and Longview are major shipping points for Washington products, in addition to goods transported from other states. Further, all-weather highways and the barge system on the Columbia and Snake rivers allow swift and safe shipment of farm produce. These are public facilities, built and maintained for the purpose of allowing the people of Washington to connect with the world.

Port shutdown hurts growers

The ability of growers to move products came to an abrupt halt in 2014 and 2015 because of strikes. Union action shut down West Coast ports, resulting in millions of dollars in lost revenue for farmers and other food producers. Tons of fresh fruit and vegetables rotted in warehouses at 29 ports along the West Coast during the strike. Washington state apple growers, for example, lost

⁸ "Washington is the third largest exporter of food and agricultural products in the U.S.," Export Statistics, Washington State Department of Agriculture, December 22, 2015, at <http://agr.wa.gov/marketing/international/statistics.aspx>.

an estimated \$100 million.⁹

Overall, in-state businesses lost an estimated \$769.5 million during the port shutdown.¹⁰ Not included in this estimate is the loss of global market share for Washington growers, which may take years for them to recover.

The port slowdown dragged on for many months without action by state or federal officials to intervene, as they had done in previous port disputes.¹¹ The controversy had nothing to do with the private market. It occurred at facilities built and operated by government agencies. The lack of action by public officials caused even greater financial loss for Washington's farm families and businesses.

As a matter of policy, lawmakers and federal officials should ensure the public has regular and dependable access to Washington ports and that these public facilities are protected from unions and damaging labor disputes. The public interest of Washington's agricultural communities should not suffer because of the narrow economic agenda of organized labor or any other special interest.

9 "Washington farmers dump millions of apples after ports dispute," NBC News, May 29, 2015, at <http://www.nbcnews.com/news/us-news/washington-farmers-dump-millions-apples-after-ports-dispute-n366426>.

10 "The economic costs of the 2014-2015 port slowdown on Washington state," Community Attributes, Inc., Washington Council on International Trade, February 2016, Exhibit 3, page 9, at <http://wcit.org/wp-content/uploads/2011/08/WCIT-Port-Delays-Economic-Impacts-Report-FINAL1.pdf>.

11 "Is president considering 'nuclear option' in ports dispute?" by Elizabeth Weise, *USA Today*, February 18, 2015, <http://www.usatoday.com/story/news/2015/02/18/labor-secretary-perez-west-coast-ports-ilwu-dispute/23611117/>.

4. Policy Recommendation: Consider the policy needs of agriculture equally with other key economic sectors

As mentioned, agricultural production is a major segment of the state economy, yet policymakers often overlook the needs of farmers and agricultural workers when setting tax and economic policy. Elected officials often prefer to be seen as champions of perceived cutting-edge sectors such as aerospace, medical research or digital technology. Moreover, population distribution means that policymaking in Washington is often dominated by elected representatives from the Seattle area and the more urbanized Western part of the state.

Washington farmers help feed the world

Yet farming communities are far more productive than people living in cities may believe. Although located in a mid-sized state, Washington farmers are among the top agricultural producers in the country. Simply put, Washington farmers help feed the world. Examples of Washington production include:

Apples: Washington state leads the country in apple production, with a yearly value that exceeds \$2 billion (2013).¹² No other state comes close to Washington’s apple yield, which comprises more than 66 percent of total U.S. production.

Potatoes: Washington is a top producer of potatoes, a staple in the diets of people around the world. Nearly 20 percent of total U.S. production comes from the Evergreen state, compared to 24 percent from Idaho, the nation’s top

12 “Cash Receipts by Commodity, Apples,” state rankings, Economic Research Service, U.S. Department of Agriculture, 2014, at http://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics/cash-receipts-by-commodity-state-ranking.aspx#P2a1d992291ae446a85aebfdb920be9ba_6_252iT0R0x113.

producer.¹³

Raspberries: Among all agricultural commodities, the red raspberry market is one in which Washington state produces the largest share – more than 90 percent of the nation’s total production.¹⁴

Wine: After decades of research and investment, Washington state is now home to a thriving wine industry, with more than 850 wineries. Wine grape growing areas now exceed 50,000 acres. The state ranks second only to California in total wine grape production.¹⁵ In quality Washington wines compare favorably with the finest wines in the world.

Reducing regulation and protecting resources

Research by the state Department of Agriculture found that farmers believe lawmakers should make agriculture a priority, eliminate regulatory barriers, protect natural resources, strengthen support services, and harness emerging technologies.¹⁶

Whether policymakers are following these recommendations is a source of great debate in Olympia and across Washington’s farming communities. Placing additional regulatory burdens on the

13 “Cash Receipts by Commodity, Potatoes,” state rankings, Economic Research Service, U.S. Department of Agriculture, 2014, at http://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics/cash-receipts-by-commodity-state-ranking.aspx#P2a1d992291ae446a85aebfdb920be9ba_6_252iT0R0x113.

14 “What’s growing in Washington state?” by Hans D. Stroo, Plan Washington, Washington Business Alliance, September 25, 2014, at <http://planwashington.org/blog/archive/whats-growing-in-washington-state>.

15 “Economic impact of Washington state wine and grapes,” Stonebridge Research Report, Washington State Wine Commission, April 2012, at http://www.wawgg.org/files/documents/2012_Economic_Impact_WA_Wine-Grapes.pdf.

16 “Washington Agriculture, Strategic Plan, 2020 and Beyond,” Future of Farming, Washington State Department of Agriculture, February 2009, at <http://agr.wa.gov/fof/docs/FutureofFarmingReport-PrinterFriendly.pdf>.

state’s farm families certainly does not reduce regulatory barriers. Based on their actions, it is unclear whether state policymakers have truly made Washington agriculture a top priority.

Washington’s farm families and food processors do much more than provide economic benefit to the state. They provide food security, and they are often stewards of public lands and public resources.

Making agriculture a priority

State leaders should ensure that agricultural productivity is a priority in Olympia, and is considered equally with high-tech, software, aerospace, biomedical research and other key industries when setting tax, regulatory and economic policy for Washington state.

Additional Resources

“Agriculture: The cornerstone of Washington’s economy,” Policy Notes, Washington Policy Center, March 23, 2016

“What’s growing in Washington state,” by Hans D. Stroo, Plan Washington, Washington Business Alliance, September 25, 2014

“The Future of Farming – 2020 and Beyond, Strategic Plan for Washington Agriculture,” Washington State Department of Agriculture, May 14, 2012

“Review of the food processing industry in Washington state,” Working Paper, Future of Farming Project, 2008

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