

Date of Hearing: April 27, 2022

ASSEMBLY COMMITTEE ON AGRICULTURE

Robert Rivas, Chair

AB 1870 Stone – As Amended April 20, 2022

**SUBJECT:** Organic products

**SUMMARY:** This bill would require the California Department of Public Health (CDPH) to develop a single application for all organic production activities that gather required information, as specified. Specifically, *this bill*:

- 1) Requires, by January 1, \_\_\_\_, CDPH to develop a single application for all organic production activities, as specified, that gathers information on the following:
  - a) The nature of the registrant’s business, including the specific commodities and quantities of each commodity that is handled and sold as organic.
  - b) The total current annual organic gross sales, or if not selling the product, the total current gross annual revenue received from processing, packaging, repackaging, labeling, or otherwise handling organic products for others, in dollars.
  - c) The names of all certification organizations and governmental entities, if any, providing certification to the registrant pursuant to this article and the regulations adopted by the National Organic Program (NOP).
  - d) Sufficient information, under penalty of perjury, to enable the director to verify the amount of the registration fee to be paid, as specified.
- 2) Requires CDPH to create an online registration and payment option on or before January 1, \_\_\_\_.
- 3) Requires CDPH to establish a process for resolving complaints to meet the 90-day timeframe pursuant to subdivision (b) and shall establish a procedure for clearing complaints that cannot be resolved.
- 4) Adds to CDPH’s requirements to create a summary of information corrected to the California Organic Products Advisory Committee as follows:
  - a) The total amount of fees collected and program expenditures.
  - b) Requires the summary to include CDPH costs to administer the program.

**EXISTING LAW:**

- 1) The California Organic Food and Farming Act requires the Secretary of Food and Agriculture (CDFA), county agricultural commissioners, and CDPH to enforce state and federal laws governing the production, labeling, and marketing of organic products, as specified.

- 2) Requires every person engaged in the state in the processing or handling of specified products for human consumption that are sold as organic to register with CDPH, as specified.
- 3) Requires CDPH to provide a registration form for those purposes and requires specified information on the registration form.
- 4) Allows any person to file a complaint with CDPH concerning suspected noncompliance with those provisions by a person over whom CDPH has control.
- 5) Requires CDPH, to the extent funds are available, to establish a procedure for handling those complaints and commencing and completing an investigation, as specified, and reporting the findings and enforcement action taken, if any, to the complainant within 90 days.
- 6) Requires CDPH to compile, publish, and submit to the California Organic Products Advisory Committee a summary of specified information collected pursuant to the above-described registration form.

**FISCAL EFFECT:** Unknown

**COMMENTS:** California follows the United States Department of Agriculture's National Organic Program (NOP) guidelines and enforces the Organic Food Production Act of 1990 and the California Organic Food and Farming Act, formerly the California Organic Products Act of 2003. The California Department of Food and Agriculture's State Organic Program (SOP) assumes the NOP's oversight and enforcement authority in the state, and California is the only state in the U.S. with an NOP authorized state organic program. The laws and regulations in place protect consumers, producers, handlers, processors, and retailers by establishing standards for agricultural products and foods that are labeled and/or sold as organic.

Every person engaged in this state in the production or handling of raw agricultural products sold as organic must register with CDFA. Processors and handlers of processed meat, fowl, dairy products, and retailers engaged in processing or handling of products sold as organic register with CDFA. Processors and handlers of processed products for human consumption, including dietary supplements, alcoholic beverages, fish or seafood, and processors or handlers of animal (non-livestock) food, and cosmetics sold as organic, register with CDPH.

According to the author, outdated state registration procedures negatively affect organic food manufacturing and processing businesses' bottom lines, limiting California's ability to keep up with consumer demand. The California Organic Products Advisory Committee (COPAC) and organic food processors have consistently flagged the following issues:

- 1) The paper-based registration and payment system is time-consuming, inefficient, and susceptible to lost documents
- 2) Decentralized forms make the registration process unnecessarily difficult to navigate: processors must obtain a Processed Food Registration and the Organic Processed Products Registration or any of 7 separate registrations (depending on the type of business) in order to

obtain a valid organic registration and must register each physical facility separately; this is in addition to the federal certification paperwork.

- 3) Unclear reporting on program costs and revenue from fees means organic fee payers do not know whether the fees collected benefit them.
- 4) A backlog of pending complaints despite the statutory requirement to resolve complaints within 90 days.

AB 1826 (Stone), Chapter 403, Statutes of 2016, overhauled the SOP, by changing the SOP fee structure, granting a larger administrative role to accredited certifying agencies, revising the composition of the California Organic Products Advisory Committee, and, revising required information provided for registration and recordkeeping. This bill will address and update the processing and production aspect of organics in California.

Supporters state, California's organic food manufacturing and processing sector is an economic powerhouse. Newly released data from CDPH shows that these businesses generated \$34.5 billion in gross sales in 2021, a 133% increase from 2020. As sales increase due to strong consumer demand, there is a need for more efficient and streamlined oversight of organic food manufacturers and processors. This bill will help California organic food manufacturers and processors keep up with the ever-growing consumer demand for healthy organic products.

The current version of this bill has left the implementation date blank as the authors' office is in discussions with CDPH in this issue.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Admiral Maltings	Murray Farms, INC
Blue Beautifly	Neal Family Vineyards
Cafe Altura	Oro De Sonora Pure Jojoba Family
California Certified Organic Farmers	Farms
California Climate & Agriculture	Pacific Coast Producers
Network (CALCAN)	Peterson Family
California Farm Bureau	Santa Cruz Mountain Brewing
California League of Food Processors	Setton Organic, LLC
Community Alliance With Family	Shroomworks
Farmers	Solminer Wine Co
Due Torri Coffee Co	Strawhouse
Eckert Frozen Foods	Taylor Farms
Homegrown Organic Farms	Traditional Medicinals
Kinetic Koffee	True Organic Products, INC.
Larocca Vineyards	Veritable Vegetable
Lundberg Family Farms	
Majestic Spice	

**Opposition**

None on file.

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