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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 603
DEPARTMENT OF AGRICULTURE

FILED

08/13/2024 12:14 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Updates fees for third-party food safety audits in Oregon on behalf of the USDA

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 09/23/2024 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

A public rulemaking hearing may be requested in writing by 10 or more people, or by a group with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date the Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

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NEED FOR THE RULE(S)

The Certification Program provides third-party audit services on behalf of the US Department of Agriculture (USDA). These audits verify on-farm compliance with food safety regulations, allowing farms to sell their products to markets. The Department has a Cooperative agreement in which it agrees to charge the fees established by the USDA. USDA has raised their fees for these services, requiring ODA to do the same.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

ORS - OR Legislative Website

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

These rules are not expected to impact racial equity in this state.

FISCAL AND ECONOMIC IMPACT:

This fee increase raises the hourly price required to be by \$8/hour for all participating businesses.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s):

Those impacted will be all participating businesses who rely upon third-party food safety audits.

(2) Effect on small businesses: (a) estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

- (a) There were 170 businesses participating in third-party audits with the department in 2023.
- (b) This change to the rule does not change the recordkeeping or administrative activities of compliance.
- (c) We do not anticipate increased cost in these areas.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The department is required to stay in compliance with the federal fees. USDA increased their hourly rates for third-party audits, and we were informed. No small businesses were involved in this change.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

No. This fee increase is mandated as per our agreement with the United States Department of Agriculture in order for ODA to offer their third-party food safety audit services. We are required to adjust our fees when they adjust theirs.

AMEND: 603-053-0250

RULE SUMMARY: Establishes inspection fees for certification program services.

CHANGES TO RULE:

603-053-0250

Inspection Fees for Certification Program Services

The following fees and charges are established for inspection, reporting and certification of horticultural and agricultural products and processes. Fees will be established in an amount reasonably necessary to cover the cost of providing services and administration in the Certification Program pursuant to ORS 632.940. Certification and third-party audit services will be provided on a first come, first served basis as qualified auditing staff is available. These include:¶

(1) USDA National Organic Program (NOP) certification,¶

(a) Annual application fees for USDA National Organic Program (NOP) certification at \$1,000 for first-time applicants and \$750 for renewal applications; and¶

(b) A charge for a minimum of four hours of inspection service at a rate of \$108 per hour;¶

(c) Travel time at the rate of \$108 per hour;¶

(d) Mileage, lodging and per diem reimbursed at rates established by the Department of Administrative Services;¶

(2) USDA Good Agricultural Practices/Good Handling Practices (GAP/GHP), USDA Produce GAPs Harmonized Standard,¶

(a) A charge for a minimum of four hours of inspection and administrative service at a rate of \$15563 per hour;¶

(b) Travel time at the rate of \$15563 per hour;¶

(c) Mileage, lodging and per diem reimbursed at rates established by the Department of Administrative Services.¶

(3) Additional Audit Schemes, private standards, or determinations: When other inspection or special audit services are requested, then at the option of the Department the fees and/or hourly charges may be agreed upon by prior written contractual agreement between the applicant or applicants and the Department. In no case, however, shall such charges be less than is necessary to completely reimburse the Department for its total costs of furnishing such services. The provisions of this section supersede the other fee schedules and provisions relating thereto. ¶

(4) Overtime Charges: For all inspection, audit and certification services performed during the following times (which will be considered overtime), the regular inspection fees or hourly charges shall be charged at time and one-half for all time involved. Overtime charges shall be figured to the nearest one-half hour:¶

(a) At any time on Saturdays or Sundays; and ¶

(b) At any time on any day which is declared by law to be a holiday for state employees.

Statutory/Other Authority: ORS 561.190, ORS 632.940, ORS 632.945

Statutes/Other Implemented: ORS 632.940, ORS 632.945