

**CHAPTER 209****(HB 350)**

AN ACT relating to agriculture.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

SECTION 1. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

- (1) *There is hereby established in the State Treasury a separate trust and agency account to be known as the "organic certification fund" to be administered by the Department of Agriculture for the purposes provided in this section. Any moneys accruing to this fund in any fiscal year shall not lapse but shall be carried forward to the next fiscal year.*
- (2)
  - (a) *Any moneys deposited in the fund shall be used to provide for a portion of the operating costs of the Organic Agricultural Product Certification Program required under Section 3 of this Act;*
  - (b) *Any moneys received from the collection of certification fees from the Organic Agricultural Product Certification Program shall be deposited in the fund; and*
  - (c) *The fund may receive state appropriations, gifts, grants, and federal funds.*

Section 2. KRS 260.020 is amended to read as follows:

- (1) The Office for Agricultural Marketing and Product Promotion in the Department of Agriculture shall be under the supervision of the Commissioner, and shall consist of personnel determined and appointed by the Commissioner.
- (2) The Office for Agricultural Marketing and Product Promotion shall be headed by an executive director appointed by the Commissioner.
- (3) *The Commissioner may promulgate administrative regulations to carry out the provisions of any programs established under the Office for Agricultural Marketing and Product Promotion, and may establish fees for the administration of those programs.*

Section 3. KRS 260.030 is amended to read as follows:

- (1) The Office for Agricultural Marketing and Product Promotion shall:
  - (a) Promote and develop markets for Kentucky agricultural products, assist in setting up farm cooperatives, and assist in coordinating feasibility studies, loans, grants, and funding activities for producers and cooperatives;
  - (b) Gather and disseminate information concerning supply, demand, prevailing prices, and commercial movement, including common and cold storage of food products, and maintain market news service for the purpose of disseminating this information;
  - (c) Foster and encourage the inspection, grading, standardizing, labeling, and branding of farm products; provide standards of excellence and brands for the use of producers and consumers in the marketing of Kentucky-grown products; and promote the standardization of packages and containers for those purposes;
  - (d) Promulgate administrative regulations for the grading, packing, hauling, storing, and sale of farm products if the administrative regulations are authorized by statutes, and enforce those administrative regulations;

- (e) Act as mediator or arbitrator, when invited, in any issue that may arise between producers and distributors of agricultural products;
  - (f) Encourage the establishment of public markets and direct dealing between producer and consumer;
  - (g) Promote the sale of Kentucky-grown products locally, and in domestic and international markets;
  - (h) Encourage the development of a market for the commercial production of earthworms;
  - (i) Negotiate and enter into cooperative agreements with the United States Department of Agriculture or any other appropriate federal agency for carrying out the provisions of this section;~~{and}~~
  - (j) Develop opportunities for the diversification of Kentucky agriculture, including additional crops and enterprises for tobacco growers; *and*
  - (k) *Establish an Organic Agricultural Product Certification Program.*
- (2) The functions of the office shall be supplementary to, and not in duplication of, the educational activities of the College of Agriculture of the University of Kentucky.
  - (3) In accomplishing its purposes, the office shall not compete with business operated by private capital.

**Approved April 5, 2002**