

**MEMORANDUM**

**TO:** David Miran, Ohio Department of Agriculture

**FROM:** Jacob Ritzenthaler, Regulatory Policy Advocate

**DATE:** May 29, 2018

**RE:** **CSI Review – Ohio Proud (OAC 901:4-6-01 and 901:4-6-03 through 901:4-6-06)**

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On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

**Analysis**

This rule package consists of four amended rules and one rescinded rule proposed by the Ohio Department of Agriculture (ODA) as part of the statutory five-year rule review requirement. The rule package was submitted to the CSI Office on December 18, 2017 and the public comment period was held open through January 5, 2018. No public comments were received during this time.

The rules in this package set forth regulations regarding the Ohio Proud Program, which is a promotional certification program that allows agricultural producers to display the Ohio Proud branding to emphasize that their products were grown and produced locally. The rules specifically establish definitions for the program, the application and registration process for producers, types of eligible produce, registration fees, and a board that would advise on program administration. Ohio Administrative Code (OAC) 901:4-6-01 is being amended to include a definition for ODA and remove the definition of the advisory board. OAC 901:4-6-03 and 901:4-6-04 are being amended to make stylistic changes and the content of the rules is not substantially altered. OAC

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901:4-6-05 is being amended to increase the annual licensing fee from \$25 to \$50. OAC 901:4-6-06 is proposed to be rescinded in order to remove the requirement for the advisory board, which has not met for several years.

During early stakeholder outreach, ODA sent the rules to all Ohio Proud Program members for feedback. ODA received fifteen comments from stakeholders. Twelve stakeholders supported the increase in the annual fee, stating that the increase was reasonable to help maintain the initiatives of the program. Three stakeholders expressed concern regarding the fee increase, with one stakeholder stating that the increase represents a large increase for small producers.

The business community impacted by these rules includes all manufacturers and producers of agricultural products in Ohio. ODA states that there are currently 536 Ohio Proud program members. The adverse costs created by these rules include compliance with the rules for participation in the program and an annual fee. The fee is currently \$25 per year for each producer and the amended rules propose increasing the fee to \$50 per year. ODA cites decreasing funding for the program through Ohio's General Revenue Fund as a primary reason behind seeking to increase the annual fee, so that the program can continue to provide services to its members. After reviewing the proposed rules and the BIA, the CSI Office has determined that the rules satisfactorily meet the standards espoused by the CSI Office, and the purpose of the rule package is justified.

### **Recommendations**

For the reasons described above, the CSI Office has no recommendations on this rule package.

### **Conclusion**

Based on its review of the proposed rule package, the CSI Office recommends the Ohio Department of Agriculture should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.