



STATE OF WASHINGTON

DEPARTMENT OF AGRICULTURE

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Concise Explanatory Statement
for amendments to
Chapter 16-390 WAC
Fruit and Vegetable Inspection Fees and Other Charges
Apple Maggot Survey Fee

The Washington State Department of Agriculture (WSDA) held hearings on July 7, 2020 and July 8, 2020 to accept testimony on its proposal to amend chapter 16-390 WAC. Due to the mandated social distancing requirements in place during the COVID-19 pandemic, the hearings were held over video and teleconference. Proposed amendments to chapter 16-390 WAC include:

- Increasing the apple maggot survey fee to \$0.020 per CWT (hundredweight);
- Creating a mechanism to trigger a secondary future fee increase to \$0.025 per CWT; and
- Adding a definition of Minimum Operating Fund Balance (MOFB).

The survey fee is used to fund annual apple maggot survey efforts and is assessed on all apples grown or packed in Washington State and introduced into commerce for sale or shipment as fresh apples.

Under the proposed rule amendment, businesses which grow or pack apples in Washington State and introduce them into commerce for sale or shipment as fresh apples will be required to pay \$0.020 per CWT (a \$0.005 increase over the current rate of \$0.015/CWT).

On the first business day of February each year, the MOFB for the program will be determined. If the program fund balance falls below the MOFB at the time it is established, the fee rate shall increase to \$0.025 per CWT beginning July 1st of that year. The MOFB is six months of the projected operating expenses for the apple maggot survey program. The expenses used to calculate this figure include projected program staff salary and benefits, costs of the program's goods and services, transportation costs, administrative support costs, and any additional costs associated with the program. In addition to expected future costs, WSDA may consider previously incurred operating expenses to estimate projected operating expenses. By February 10th of each year, WSDA will post notice on their website of the rate established for that year. The MOFB will also be posted on the WSDA website by February 10th of each year, until the \$0.025 per CWT rate is established.

07/15/20

Reasons for Adopting the Rule

Apple maggot, specifically the larval stage, is a pest that threatens commercial and homegrown fruit, especially apples. Over time, apple maggot species have spread throughout much of North America, threatening fruit crops from coast to coast. Apple maggot hosts include apples, crabapples, native and ornamental hawthorns, cherries, prunes, plums, pears, and quinces. Apple maggot adults look similar to and disperse like small house flies. In Washington, the active adults mate and lay their eggs in July and August. Apple maggot females puncture the skin of host fruit and lay their eggs under the surface. While the initial damage is easily overlooked, it eventually leads to dimpling of the fruit surface. In three to seven days, the eggs hatch and apple maggot larvae emerge. The larvae eat and tunnel their way through the fruit, leaving brown trails behind. Once mature, the larvae exit the fruit and drop to the ground. They overwinter as pupae in the soil, emerging the next summer as adults, starting the cycle over again. Apple maggot has the potential to survive in the soil as a pupae for at least two years, if not longer. Once apple maggot has become established, treatment is costly. Apples are the top agricultural commodity in Washington. This makes the threat of apple maggot significant, as fruit from the pest free areas has greater access to international markets.

In 2019, WSDA presented to the industry advisory committee, the Apple Maggot Working Group (AMWG), on the fiscal deficit of the apple maggot survey program. After some discussion, it was agreed that less traps would be used in the coming survey season in an effort to conserve funds. For the 2019 season, apple maggot traps were reduced by 3,124 traps. Unfortunately, this reduction was not enough to prevent a deficit in funds available to continue the annual survey. Due to repeated annual budget deficits caused by increased operational costs, it has become necessary to increase the fee in order to maintain the current standard of survey trapping. The additional revenue will be used to manage and prevent the possible movement of apple maggot from infested areas into pest free areas, secure continued access to international and interstate markets, and protect the commercial tree fruit industry from an economically significant pest.

Summary of Comments and the Department's Response

The public comment period ran from May 20, 2020, until the close of business on July 8, 2020. During that time, no written comments were received regarding the proposed amendments. One oral comment was received.

The following summarizes the testimony:

Jon DeVaney, representing the Washington State Tree Fruit Association, submitted oral comment regarding the proposal. Mr. DeVaney stated, "The survey and detection program is extremely important to the apple industry of the state of Washington, which has an estimated 8 billion dollar total economic impact both direct and indirect in our state and employs over 60 thousand people, both directly and indirectly. It is an important industry and it is threatened by the spread of apple maggots. Monitoring its prevalence, identifying areas where it has become established, where control measures need to take place, and also monitoring individual orchards to ensure that growers are able to protect their crops and qualify their fruit for export is extremely important. No grower likes to pay higher fees, but they are willing to do so for essential services and our industry considers this an essential service. Therefore we are supporting the proposed fee increase in the rule. I do want to thank the department and the department staff for having listened to the industry first and having gone to great lengths to increase efficiency in the program and reduce operating costs. That gives the growers that are paying these fees a high level of confidence that the funds being entrusted to the

department are being well used and that every dollar being requested to fund the program is absolutely necessary for its operations. I think that is reflected in the strong support of the board of my own organization and the fact that we have not heard from large numbers of growers signing up to comment unfavorably on a fee increase at a time when the industry is suffering some severe economic dislocations, both because of ongoing trade issues and the effects of COVID-19. So while it may seem disheartening to you, agency staff, to have so few people show up for these hearings, I would say that is a sign of great confidence in your management of the program and again why we are supportive of the rule and the staged fee increase. Thank you.”

Response: Thank you for your support.

Differences Between the Proposed and Adopted Rule

There are no differences between the proposed and adopted rule.