



STATE OF WASHINGTON

January 10, 2023

The Honorable Pat McCarthy
Washington State Auditor
P.O. Box 40021
Olympia, WA 98504-0021

Dear Auditor McCarthy:

Thank you for the opportunity to review and respond to the State Auditor's Office (SAO) performance audit report, "Washington's Agricultural Commodity Commissions: An assessment of effectiveness." The Washington State Department of Agriculture (WSDA) worked with the 21 agricultural commodity commissions and the Office of Financial Management to provide this response.

On behalf of Washington's agricultural commodity commissions, we sincerely appreciate the SAO performance audit team and how they conducted this audit. We are pleased that the audit acknowledges the importance of agriculture in our state and the necessary role of agricultural commodity commissions. Agriculture is a significant economic driver in Washington, and we want to ensure the industry continues to be recognized both nationally and internationally for producing top-quality products.

As the audit indicated, WSDA has statutory obligations to provide services to the commodity commissions. All of these are met with one half-time employee, whose salary is paid for partially by the commodity commissions. WSDA appreciates the SAO recognizing the value of the WSDA commission administrator and the potential for expanded support to the commodity commissions. At this time, WSDA is limited by law in its resource availability to expand this role. We will look at ways to improve current processes to better uphold our obligations to the commissions.

The commissions recognize the importance of performance evaluations and appreciate the SAO putting together a training session that further enhances their understanding. Ensuring the commissions remain relevant to their producers and respective industries is paramount.

Please extend our thanks to your team for their collaborative work on this performance audit.

Sincerely,

Derek Sandison
Director
Washington State Department of Agriculture

David Schumacher
Director
Office of Financial Management

cc: Jamila Thomas, Chief of Staff, Office of the Governor
Kelly Wicker, Deputy Chief of Staff, Office of the Governor
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OFFICIAL STATE CABINET AGENCY RESPONSE TO PERFORMANCE AUDIT ON WASHINGTON'S AGRICULTURAL COMMODITY COMMISSIONS: AN ASSESSMENT OF EFFECTIVENESS – JANUARY 10, 2022

The Washington State Department of Agriculture (WSDA) consulted with the 21 agricultural commodity commissions and the Office of Financial Management (OFM) to provide this management response to the State Auditor's Office (SAO) performance audit report received on December 6, 2022.

SAO PERFORMANCE AUDIT OBJECTIVES

The SAO's performance audit assessed the benefits that Washington's agricultural commodity commissions provide to the state's producers and its agriculture industry. The audit had two objectives:

- To what extent do Washington's agricultural commodity commissions benefit the state's producers and its agriculture industry?
 - What opportunities exist to enhance the effectiveness of the state's agricultural commodity commissions?
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Recommendations to the Washington State Department of Agriculture in brief:

SAO Recommendation 1: To expand the scope of assistance that WSDA provides to the commissions:

1. Determine the resources it would need to provide further support for the commissions.

STATE RESPONSE: The Washington State Department of Agriculture has statutory obligations to provide services to the agricultural commodity commissions. The law explicitly limits the department to one-half FTE (RCW 43.23.033) to provide these services. Expanding WSDA's level of assistance would require legislative support to change the statute. It is also important to note that the department is funded largely through service fees. If the Legislature changed the law, additional funding would be needed.

Action Steps and Time Frame:

- Gather input from agricultural commodity commissions to assess the need for additional funding sources. *By May 31, 2023.*
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SAO Recommendation 2: To improve both producer and public awareness and understanding of the agricultural commissions' role in the state's agriculture industry:

2. Create and publicize a website that contains consistent information about each commission, aimed at informing producers and the general public.

STATE RESPONSE: The Washington State Department of Agriculture currently has a web page devoted to information about agricultural commodity commissions, including links to each commission's web page. While we appreciate the need for a one-stop location of information for the general public, we are concerned that having multiple places where information is posted will increase the risk for errors.

Instead, we will develop guidelines and work with the commissions to help them develop pages on their own websites to satisfy this recommendation. WSDA will continue linking to each commission's website.

Action Steps and Time Frame:

- Draft guidelines for commission websites. *By May 1, 2023.*

- WSDA distributes guidelines to all commissions and holds a Q&A session to obtain feedback at the 2023 all-commission meeting. *By October 1, 2023.*
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SAO Recommendation 3: To ensure producers have the opportunity to provide feedback and perspectives to the commissions they fund:

3. Work together with commissions to periodically survey producers.

STATE RESPONSE: The audit identified a need to continue surveying the agricultural producers who pay assessments to the commodity commissions. The department agrees with this recommendation and will work with the commissions to identify a process to continue the survey.

Action Steps and Time Frame:

- Consult with commodity commissions and work to develop a process and timeline for the ongoing surveying of assessment-paying producers. *By October 1, 2023.*
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SAO Recommendation 4: To boost awareness of Washington’s high-quality agricultural products:

4. Coordinate a state-wide branding effort for Washington’s agricultural industry.

STATE RESPONSE: The department submitted a decision package to OFM, and the request is included in the governor’s 2023-25 budget proposal.

Action Steps and Time Frame:

- Provide education during the 2023 legislative session about the department’s budget request to support a statewide branding effort. *By April 30, 2023.*
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SAO Recommendation 5: To enhance coordination of the agriculture industry:

5. Assume a more targeted role in coordinating among the commissions to enhance marketing opportunities and other collaborative efforts.

STATE RESPONSE: We see this recommendation as expanding something we are currently doing through our annual all-commodity commission meeting.

To further explore the recommendation, the department will consult with the commissions about the opportunities and resources needed to organize quarterly meetings. By increasing communications with the commissions, we will be better able to identify more opportunities for collaboration.

Action Steps and Time Frame:

- Work with the commodity commissions to identify a meeting date in the first six months of 2023. This meeting would be held virtually. *By June 30, 2023.*
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SAO Recommendation 6: To assist commissions in navigating and complying with state laws and rules:

6. Provide additional technical assistance and training to commissions to ensure they are in compliance with state laws and rules, and serve as a liaison between commissions and other state agencies such as the Department of Enterprise Services.

STATE RESPONSE: We will address this recommendation in two parts. The WSDA commission administrator has been and will continue to be the liaison between the commissions and other state agencies, including the Department of Enterprise Services. We will continue this role while looking for opportunities to better ensure the commissions are provided current and applicable information.

With regard to providing training, the department has concerns about having the commission administrator serve as a trainer on various topics. While the department has historically helped coordinate training for commissions to ensure they are in compliance, it has never conducted the training. We are concerned about the level of risk it would place on the administrator to be the subject-matter expert on various issues. We will continue to coordinate and make commissions aware of applicable training and work with them to identify trainings they are interested in receiving or that are necessary to ensure they remain in compliance.

Action Steps and Time Frame:

- Work with commissions to identify appropriate training for the 2023 all-commission meeting. *By July 1, 2023.*
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SAO Recommendation 7: To address the challenges in maintaining more accurate and complete lists of producers at all times:

7. Provide updated contact information from nomination and election processes to commissions to help them maintain and ensure more complete and accurate producer lists.

STATE RESPONSE: The department is responsible for the nominations and elections for all 21 commodity commissions. We are required to send out notices for these via U.S. mail. The commissions provide the producer mailing lists to us. To meet this recommendation, we will work with them to develop an agreed-upon process to ensure they are provided any returned mail or that we have notified them of phone calls we received regarding a change of land ownership or change of address.

Action Steps and Time Frame:

- Identify and agree upon a process at the all-commission meeting in September 2023. *By September 30, 2023.*
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Recommendation for the Agriculture Commodity Commissions in brief:

SAO Recommendation 8: To help foster more understanding of and better transparency about the programs other than research that commodity commissions conduct:

8. Measure and report on the results of their programs. *To help commission boards develop approaches to doing so, the State Auditor's Office Center for Government Innovation will offer a free, voluntary workshop to be held in early 2023.*

STATE RESPONSE: The commodity commissions appreciate the opportunity for this free, voluntary workshop and recognize the value and importance of measuring and reporting the results of their programs. WSDA will continue to work with the commissions to engage with their boards to prioritize performance measures and reporting out on their work.

Action Steps and Time Frame:

- Commodity commission representatives attend the free, voluntary workshop in January 2023. *By January 31, 2023.*
- Commodity commissions present on their process to report results at the all-commission meeting in the first quarter of 2024. *By March 31, 2024.*