

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1600*
Committee Substitute Favorable 5/4/07

Short Title: NC Organic Economic Opportunities Study.

(Public)

Sponsors:

Referred to:

April 19, 2007

A BILL TO BE ENTITLED

1
2 AN ACT TO DIRECT THE DEPARTMENT OF COMMERCE AND THE
3 DEPARTMENT OF AGRICULTURE TO CONTRACT WITH A MARKET
4 RESEARCH FIRM TO CONDUCT A STUDY OF THE ECONOMIC
5 OPPORTUNITIES OF EXPANDING AND DEVELOPING ORGANIC
6 AGRICULTURE PRODUCTION, MARKETING, AND SUPPORTING
7 BUSINESS ENTERPRISES IN NORTH CAROLINA.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** The Department of Commerce and the Department of
10 Agriculture shall contract with a market research firm with experience in thorough and
11 comprehensive organic marketplace analysis to conduct a study to identify the current
12 status of organic agriculture in North Carolina and describe opportunities for and
13 challenges to a rapid expansion and development of organic production, marketing, and
14 supporting business enterprises in North Carolina, including the potential job growth
15 and economic impact and benefits for the State. The study shall identify infrastructure
16 needs, as well as any potential obstacles, whether in public policy or other areas that
17 might hamper the expansion of organic agriculture production, marketing, and
18 supporting business enterprises. This study shall include all of the following:

- 19 (1) A supply-side analysis of the current status and supply of organic
20 products, inputs, and value-added processing in North Carolina that
21 includes the number of farms engaged in producing organic products,
22 inputs, and value-added processing; the acreage involved in producing
23 organic products, inputs, and value-added processing; the production
24 systems of these farms and business enterprises; information about
25 who owns these operations, itemized by categories of owners and to
26 include the number of women and minorities who own these
27 operations and the age ranges of the owners of the farms, with
28 comparisons made to conventional growers in the State.

- 1 (2) A demand-side analysis of how much and which types of organic
2 products are being sold by retail grocery stores in the State and where
3 these products currently are produced.
- 4 (3) If the potential of local growers is maximized to meet the increasing
5 demand for organic products, the potential economic benefits for
6 North Carolina. The potential economic benefits shall address, at least,
7 the potential for new jobs, increased farm and associated business
8 revenues for processing and distributing organic products, increased
9 retail revenue, tourism, increased tax revenues, and any other
10 economic benefits.
- 11 (4) If the potential of local growers is maximized to meet the increasing
12 demand for organic products, the identification of needs and
13 opportunities for new and existing input suppliers and providers of
14 processing, distribution, marketing, education, research, and
15 infrastructure needs.
- 16 (5) The economic impact of any expected social and environmental
17 benefits associated with expanding the transition to organic farming
18 systems, to include anticipated increases in farmland preservation and
19 job growth in rural North Carolina and reductions in carbon emissions.
- 20 (6) Overall economic potential and opportunities for growth of the organic
21 sector in North Carolina.
- 22 (7) Any other issues the Department of Commerce and the Department of
23 Agriculture consider pertinent to this study.

24 **SECTION 2.** No later than May 1, 2008, the Department of Commerce shall
25 report the results of the study under Section 1 of this act to the Senate Committee on
26 Small Business and Entrepreneurship and to the Fiscal Research Division.

27 **SECTION 3.** There is appropriated from the General Fund to the
28 Department of Commerce the sum of one hundred twenty-five thousand dollars
29 (\$125,000) for the 2007-2008 fiscal year to fund the costs of the study under this act.

30 **SECTION 4.** This act becomes effective July 1, 2007.