SEAL OF

Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: October 23, 2018

Subject: Consider a Position of Support for Proposition 12 on the November 6, 2018 Ballot

#### **RECOMMENDATION(S):**

ADOPT a position of "Support" on Proposition 12 "Farm Animal Confinement Initiative" on the November 6, 2018 statewide ballot, as recommended by the Director of Animal Services for Contra Costa County.

ADOPT the attached Resolution in support of Proposition 12.

# **FISCAL IMPACT:**

From the Legislative Analyst's Office:

Consumer Prices Likely to Increase. This measure would likely result in an increase in prices for eggs, pork, and veal for two reasons. First, this measure would result in many farmers having to remodel or build new housing for animals—such as by installing cage-free housing for hens. In some cases, this housing also could be more expensive to run on an ongoing basis. Much of these increased costs are likely to be passed through to consumers who purchase the products. Second, it could take several years for enough farmers in California and other states to change their housing systems to meet the measure's requirements. If in the future farmers cannot produce enough eggs, pork, and veal to meet

✓ APPROVE	OTHER
☐ RECOMMENDATION OF CNTY ADMINISTRATOR ☐ RECOMMENDATION OF BOARD COMMITTEE	
Action of Board On: 10/23/2018 APPROVED AS RECOMMENDED OTHER	
Clerks Notes:	
VOTE OF SUPERVISORS	
AYE: John Gioia, District I Supervisor Candace Andersen, District II Supervisor Diane Burgis, District III	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Supervisor	ATTESTED: October 23, 2018
Karen Mitchoff, District IV Supervisor	David Twa, County Administrator and Clerk of the Board of Supervisors
Federal D. Glover, District V Supervisor	By: June McHuen, Deputy
Contact: L. DeLaney,	

925-335-1097

the demand in California, these shortfalls would lead to an increase in prices until farmers can meet demand. As discussed above, many companies have announced that they are moving towards requiring that their food suppliers give farm animals more space to move around (such as by buying only cage-free eggs). To the extent that this happens, some of the price increases described above would have occurred anyway in future years.

#### FISCAL IMPACT: (CONT'D)

Small Reduction in State Government Revenues. Because this measure would increase costs for some California farmers who produce eggs, pork, and veal, some of them could choose to stop or reduce their production. To the extent this happens, there could be less state income tax revenues from these farm businesses in the future. The reduction statewide likely would not be more than several million dollars each year. State Oversight Costs. CDFA would have increased workload to enforce this measure. For example, the department would have to check that farmers in California and other states that sell to California use animal housing that meets the measure's requirements. CDFA would also make sure that products sold in California comply with the measure's requirements. The cost of this additional workload could be up to \$10 million annually.

# **BACKGROUND**:

Proposition 12 <u>Establishes New Standards for Confinement of Specified Farm Animals</u>; Bans Sale of Noncomplying Products. Initiative Statute.

**Voter Guide information:** <a href="http://voterguide.sos.ca.gov/propositions/12/">http://voterguide.sos.ca.gov/propositions/12/</a>

The LAO Analysis: <a href="https://lao.ca.gov/ballot/2018/prop12-110618.pdf">https://lao.ca.gov/ballot/2018/prop12-110618.pdf</a>

# **BACKGROUND**

Agriculture Is a Major Industry in California. California farms produce more food—such as fruit, vegetables, nuts, meat, and eggs—than in any other state. Californians also buy food produced in other states, including most of the eggs and pork they eat. The California Department of Food and Agriculture (CDFA) is responsible for promoting California agriculture and overseeing animal health and food safety. State Law Bans Cruelty to Animals. For over a century, the state has had laws banning the mistreatment of animals, including farm animals. For example, anyone who keeps an animal in an enclosed area is required to provide it with an exercise area and give it access to shelter, food, and water. Depending on the specific violation of these requirements, a person could be found guilty of a misdemeanor or felony, either of which is punishable by a fine, imprisonment, or both. Farm Animal Practices Are Changing. There has been growing public interest in the treatment of farm animals. In particular, concerns have been expressed about keeping farm animals in cages and crates. Partly in response to these concerns, various animal farming associations have developed guidelines and best practices to improve the care and handling of farm animals. Also in response to these concerns, many major grocery stores, restaurants, and other companies have announced that they are moving towards requiring that their food suppliers give

farm animals more space to move around (for example, by only purchasing eggs from farmers who use "cage-free" housing for hens). *Proposition 2 (2008) Created Standards for Housing Certain Farm Animals.* Proposition 2 generally prohibits California farmers from housing pregnant pigs, calves raised for veal, and egg-laying hens in cages or crates that do not allow them to turn around freely, lie down, stand up, and fully extend their limbs. Under Proposition 2, anyone who violates this law is guilty of a misdemeanor. *State Law Banned the Sale of Eggs That Do Not Meet Housing Standards.* A state law passed after Proposition 2 made it illegal for businesses in California to sell eggs that they knew came from hens housed in ways that do not meet Proposition 2's standards for egg-laying hens. This law applies to eggs from California or other states. Any person who violates this law is guilty of a misdemeanor. (The law does not cover *liquid* eggs, which are egg yolks and whites that have been removed from their shells and processed for sale.)

### **CLERK'S ADDENDUM**

ADOPTED Resolution No. 2018/529 to take a position of "Support" on Proposition 12 "Farm Animal Confinement Initiative" on the November 6, 2018 statewide ballot, as recommended by the Director of Animal Services for Contra Costa County.

#### **ATTACHMENTS**

Resolution No. 2018/529