
DEPARTMENT OF AGRICULTURE

Wine tax diversion to Ohio Grape Industries Fund

- Makes permanent the 2¢ per-gallon earmark of wine tax revenue that is credited to the Ohio Grape Industries Fund, which is used to support and promote the Ohio grape and wine industry.

Farmers market registration

- Eliminates the voluntary registration of farmers markets with the Department of Agriculture (ODA) and the corresponding inspection of registered farmers markets by ODA.

Ohio Proud Program merchandise

- Requires all fees assessed for participation in the Ohio Proud Program to be credited to the existing Ohio Proud, International, and Domestic Market Development (Ohio Proud) Fund, rather than the GRF as under current law.
- Authorizes ODA to sell merchandise that promotes the Program, and requires the Director of Agriculture to deposit proceeds from the merchandise sales in the Ohio Proud Fund.

Southern Ohio Agricultural and Community Development Foundation

- Abolishes, effective December 30, 2021, the Southern Ohio Agricultural and Community Development Foundation, which is tasked with assisting southern Ohio farmers in replacing their tobacco production with other agricultural products and mitigating the economic impact of reduced tobacco production in the region.
- Eliminates the Foundation's board of trustees and provides for the winding down of the Foundation's affairs by ODA.

Wine tax diversion to Ohio Grape Industries Fund

(R.C. 4301.43)

The bill makes permanent the 2¢ per-gallon earmark of wine tax revenue that is credited to the Ohio Grape Industries Fund, which is used to support and promote the Ohio grape and wine industry. The earmark expires on June 30, 2021.

Continuing law imposes a tax on the distribution of wine, vermouth, and sparkling and carbonated wine and champagne at rates ranging from 30¢ per gallon to \$1.48 per gallon. From the taxes paid, a portion is credited to the Ohio Grape Industries Fund for the encouragement of the state's grape and wine industry. The remainder is credited to the GRF.

Farmers market registration

(R.C. 3717.221 and 3717.22)

The bill eliminates the option to voluntarily register a farmers market with the Department of Agriculture (ODA). It also eliminates the corresponding inspection of registered farmers markets by ODA. As a result, local boards of health must inspect farmers markets under the law governing retail food establishments and food service operations. Under current law, a farmers market that is registered with ODA is exempt from inspection by a local board of health under those laws.

A farmers market is a location where producers congregate to offer fruits, vegetables, and other items for sale.

Ohio Proud Program merchandise

(R.C. 901.171)

The bill requires all fees assessed for participation in the Ohio Proud Program to be credited to the existing Ohio Proud, International, and Domestic Market Development (Ohio Proud) Fund. Current law requires those fees to be deposited in the GRF. The Ohio Proud Program promotes food and agricultural products made and grown in Ohio.

The bill authorizes ODA to sell merchandise that promotes the Ohio Proud Program. It also requires the Director of Agriculture to deposit proceeds from the merchandise sales in the Ohio Proud Fund.

Southern Ohio Agricultural and Community Development Foundation

(R.C. 183.12 through 183.17, repealed; R.C. 102.02, 183.021, and 183.33; Section 518.30)

The bill abolishes the Southern Ohio Agricultural and Community Development Foundation on December 30, 2021. As a result of that elimination, it does the following:

1. Eliminates the Foundation's board of trustees;
2. Provides for the winding down of the Foundation's affairs by ODA;
3. Eliminates the Southern Ohio Agricultural and Community Development Foundation Endowment Fund and requires the Treasurer of State to transfer the cash balance in the fund to the Ohio Proud Marketing Fund; and
4. Eliminates the Southern Ohio Agricultural and Community Development Operating Expenses Fund and requires the Director of the Office of Budget and Management to transfer the cash balance in the fund to the existing Ohio Proud Marketing Fund.

The Foundation was created in 2000 by S.B. 192 of the 123rd General Assembly as an outgrowth of the 1998 Tobacco Master Settlement Agreement reached between Ohio and other states and major tobacco manufacturers. Generally, the Foundation is tasked with assisting southern Ohio farmers in replacing their tobacco production with other agricultural products and mitigating the adverse economic impact of reduced tobacco production in the region by:

1. Increasing the variety, quantity, and value of agricultural products other than tobacco that are produced in southern Ohio (where tobacco has traditionally been grown);
2. Preserving agricultural land and soils in southern Ohio;
3. Making strategic investments in communities that will be affected by the reduction in the demand for tobacco; and
4. Providing education and training assistance to tobacco growers to help them make the transition out of tobacco production.

The Southern Ohio Agricultural and Community Development Foundation Endowment Fund originally consisted of money derived from the Tobacco Master Settlement Agreement. It also consists of grants and donations made to the Foundation and investment earnings of the fund. The Foundation uses money in the fund to award grants in assisting farmers according to the Foundation's mission.

The Southern Ohio Agricultural and Community Development Operating Expenses Fund consists of money transferred to it from the Southern Ohio Agricultural and Community Development Foundation Endowment Fund. The Foundation uses money in the Southern Ohio Agricultural and Community Development Operating Expenses Fund solely to pay the Foundation's employees.