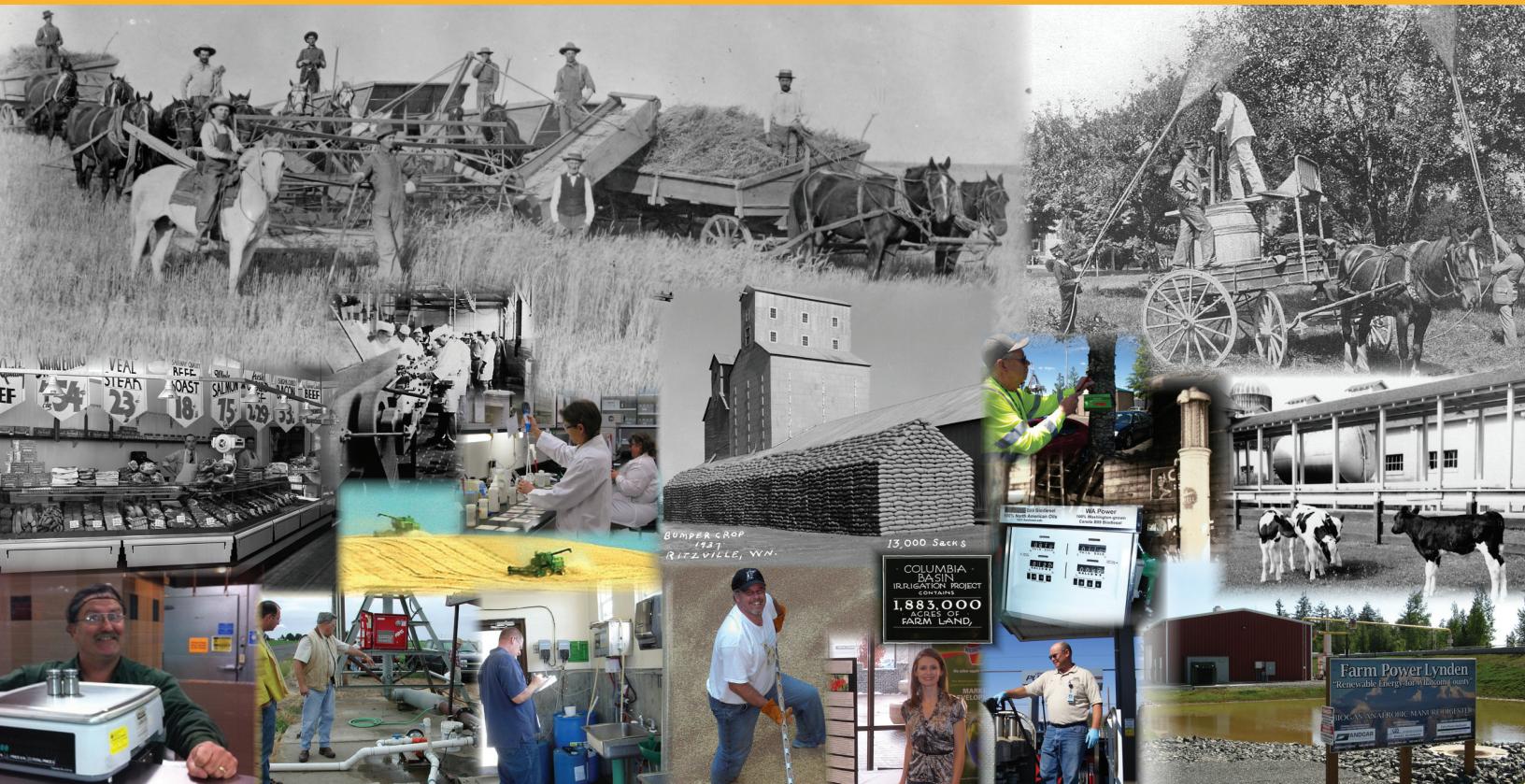




Washington  
State Department of  
Agriculture

**Focusing on the core mission  
during turbulent times**

**Serving Washington agriculture and the public since 1913**



# Table of Contents

<b>Our first hundred years .....</b>	<b>3</b>
Our core mission.....	3
Our primary goals .....	3
How we lasted 100 years.....	4
 <b>Food assistance:</b>	
<b>Serving a growing number of Washington families in need .....</b>	<b>5</b>
Addressing food insecurity.....	5
 <b>Marketing Washington foods:</b>	
<b>A focus shift to export opportunities .....</b>	<b>7</b>
Meeting new challenges.....	7
How we assist with exports .....	8
 <b>Environmental protection:</b>	
<b>Responding to a changing dairy industry.....</b>	<b>10</b>
Dairy nutrient management .....	10
Groundwater concerns.....	11
 <b>Improving efficiencies, refining processes .....</b> <b>12</b>	
Implementing lean .....	12
Waste collection gets lean .....	13
Our culture of innovation.....	13
Cultivating new leaders .....	14

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### Chapter 1

# Our first hundred years

Throughout its history, the Washington State Department of Agriculture (WSDA) has evolved and adapted many times. The agency has pursued new initiatives, added major program areas and redefined major goals.

### OUR CORE MISSION

For decades, WSDA's core mission has maintained a consistent focus on supporting the state's farmers and ranchers, as well as the public who enjoys the bounty of Washington agriculture. That lasting principle remains embodied in the WSDA mission statement:

*The Washington State Department of Agriculture serves the people of Washington by supporting the agricultural community and promoting consumer and environmental protection.*



### OUR PRIMARY GOALS

In the past several years, the primary goals of the agency have also remained consistent as our staff continues to carry out a broad spectrum of activities that support the producers, distributors, and consumers of Washington's food and agricultural products:

- Protect and reduce the risk to public health by assuring the safety of the state's food supply.
- Ensure the safe and legal distribution, use, and disposal of pesticides and fertilizers in Washington State.
- Protect Washington State's natural resources, agriculture industry, and the public from selected plant and animal pests and diseases.
- Facilitate the movement of Washington agricultural products in domestic and international markets.

At WSDA, we strive to understand the needs of our customers and remain closely aligned to the industry we serve. Supporting economic development and job growth in Washington are critical considerations in the agency's decision making. With very few exceptions, WSDA programs include stakeholder advisory committees that ensure that the agency's programs continue to meet the needs of the customers we serve. As an agency that relies on fees to fund nearly 60 percent of our operations, we know that hearing and responding to our customers' service requirements are essential.

# Washington State Department of Agriculture

## HOW WE LASTED 100 YEARS

Contrary to the experience of many other state agencies, the size of WSDA's budget and staffing has remained relatively stable throughout the economic challenges that began in 2008. Funding from all sources is about \$75 million per year and agency staffing remains around 750 full-time equivalent positions.

Many programs did shift the funding for major activities away from State General Fund to fees, including many activities of the Pesticide Management Division. Other programs, while important and worthy activities, were not as central to the core mission of the agency, and were therefore eliminated: grants for invasive knotweed eradication and other weed control activities, targeted assistance to wine and asparagus industries, and some consumer protection

activities not associated with public health. Between 2009 and 2013, WSDA reduced its dependence on the State General Fund by \$11 million.

But even as the agency's ongoing mission and goals have been rooted in traditional areas of strength for the agency, WSDA continues to evolve. WSDA has adopted a new role to serve Washington families in need of food assistance during challenging economic times. Budget constraints have limited our ability to support a broad Washington-grown domestic marketing campaign. Changing agricultural practices and public expectations have prompted evolution in ongoing programs. And throughout the agency, WSDA staff members have embraced a culture of finding new efficiencies to improve the way we accomplish ongoing priorities.



### Chapter 2

# Food assistance: Serving a growing number of Washington families in need

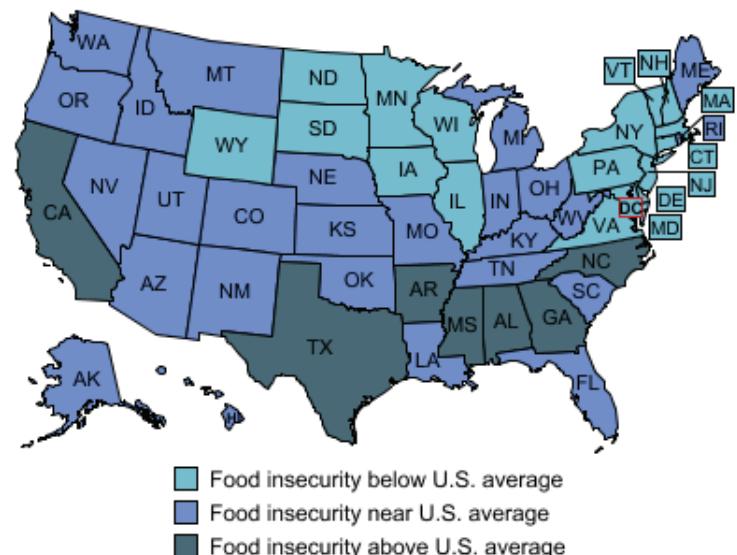
Since it was established nearly 100 years ago, the WSDA has been committed to helping growers produce and market the safest foods possible. From fresh dairy products to our world-famous fruits and vegetables, WSDA's Food Safety Program continues to license and inspect more than 4,000 producers, food processors and distributors – all with an eye to protecting the consumer from the risk of food-borne illnesses. These activities are core to our mission and an ongoing priority.

But recently, WSDA has taken on a new role to help all families access the healthy foods they need. In 2010, WSDA assumed responsibility for the state's Food Assistance programs, working with community food banks and meal programs across the state to serve hundreds of thousands of Washington families in need each year. It's rewarding work and a labor of love for our staff.

### ADDRESSING FOOD INSECURITY

The number of families without adequate nutrition is staggering. During the economic challenges of the last four years, many families have struggled to keep healthy foods on the table. Today, one in six households in Washington experience food insecurity, not knowing how they'll be able to meet their nutritional requirements. While hunger in our state has not grown as rapidly as in some other regions of the country, thousands of families in our community are facing this national tragedy. As a result, food

Prevalence of food insecurity, average 2009-11



Source: Calculated by ERS based on Current Population Survey Food Security Supplemental data.



banks are experiencing double-digit demand growth for services.

WSDA works with the U.S. Department of Agriculture to channel millions of pounds of food to communities in need. We distribute truckloads of food to non-profit organizations in communities of every corner of the state. Our assistance reaches families through more than 500 tribes and community-based non-profit agencies, including food banks and meal programs.

It's not just about making sure families have enough calories. We're working with our

## Washington State Department of Agriculture

federal partners to improve food bank clients' access to healthier choices, including low-sodium and low-fat foods, fresh and frozen fruits and vegetables, and high-protein foods like meat and eggs. WSDA and the Department of Corrections launched a new partnership to turn hard-to-use commodities, like bulk frozen chicken, into ready-to-eat nutritious frozen meals for distribution to food banks.

And we're exploring innovative delivery methods to reach more families. To expand our reach to remote locations and home-bound seniors, local partners are using mobile food bank programs that bring groceries and meals to the home.

Many food banks have launched school backpack programs, so that students go home from school on Fridays with bags filled with kid-friendly foods to consume over the weekend when no school meals are available. These efforts not only meet a child's nutritional needs, but also help improve educational outcomes.

It's always been a challenge to distribute enough fresh and frozen fruits and vegetables. Local growers are stepping up to fill the gap. Washington farmers have long worked with local hunger-relief organizations to help needy families in their communities. Effective partnerships with regional and statewide emergency food networks have improved distribution of large-scale donations from area food businesses without jeopardizing the success of local agencies.

Since assuming responsibility for the Food Assistance programs, WSDA has developed new partnerships with beef producers, dairy farmers and growers of all varieties of fruits and vegetables. WSDA organized four



Harvest Against Hunger Area Summits to bring growers and emergency food providers together to discuss how they could work together better for the good of all. We're excited about where these new partnerships will take us.

Local organizations are also finding innovative sources of locally grown foods, including community gardens and food rescue

and gleaning programs. Still others are working with community groups such as the Boy Scouts, Kiwanis, and Rotary clubs to grow gardens that support the food banks. These new efforts and connections have resulted in bringing several million additional pounds of highly nutritious food per year into the emergency food system.

In addition to channeling huge volumes of food to local organizations, WSDA allocates more than \$6 million a year to support these same community nutrition programs. Those funds can be used to buy food, as well as cover the cost to transport and store donated foods, pay staff, and purchase necessary equipment. We give providers significant flexibility to procure the foods that best meet the needs of their clients, including nutritious fruits and vegetables, as well as food that meets the special dietary needs. Many food bank clients are coping with diabetes, heart disease, cancer or AIDS.

Hunger is not just a rural or inner-city problem; the challenge is everywhere. Without access to proper nutrition, families and children struggle to grow, thrive and excel in life. We are so proud to partner with the non-profit organizations and businesses that are making such a difference in the lives of families across the Evergreen State.

## Chapter 3

# Marketing Washington foods: A focus shift to export opportunities

In 2005, WSDA's marketing program included both domestic and international components. Both program areas served a common mission to support the sales of Washington-grown foods and foster economic development and job growth in Washington.

During the 2005 to 2008 period, when state budget coffers were full, the agency's broad domestic marketing campaign, "From the Heart of Washington", was joined by a new Domestic Marketing and Economic Development Program. The agency operated a Small Farm & Direct Marketing program to support small-scale farmers and small food processors with market and regulatory assistance. WSDA helped farms and businesses access local markets such as grocery stores, restaurants, farmers markets, Community Supported Agriculture (CSA) and through Internet sales. A new Farm-to-School program connected farms to their local school cafeterias and other institutional buyers.

These programs helped farms and food businesses tap into the local foods movement in a big way. WSDA received national recognition, as well as awards from industry for our work. With more than 160 farmers markets sprinkled throughout the urban and rural areas of the state, product sales and the number of farms marketing directly to consumers grew dramatically.

Similarly, when budgets were more robust, the International Marketing Program was growing its effort to expand export opportunities for small and medium-sized food businesses. WSDA provides companies with promotional support, market information and access to the U.S. Department of Agriculture (USDA) market assistance programs – the federal funding that helps connect Washington firms to overseas buyers.

At its height, WSDA's domestic and international marketing program budgets peaked at \$1.8 million per year in General Fund monies and 11.5 employees. That was the high water mark in the state's commitment to agricultural marketing.

## MEETING NEW CHALLENGES

While it is simple to recount the series of events, the internal decision making processes and managerial decisions required to implement these changes were quite significant and challenging. The economic crisis was driving the spending cuts. Policy-makers had to determine which marketing programs to save in order to have the most positive impact on the state's economy.

International Marketing had a long history of tracking performance through collecting assisted sales numbers and their resultant tax revenue. In 2011, the program reported

Number of Direct Market Farms		Direct Farm Sales	
2002	2007	2002	2007
4,527	<b>5,418</b>	\$34,753,000	<b>\$43,537,000</b>

Source: USDA National Agricultural Statistics Service



## Washington State Department of Agriculture

\$94.3 million of assisted sales. WSDA is able to demonstrate that for every dollar invested in International Marketing, \$3.82 is returned to the State General Fund. Ultimately, those metrics provided the rationale to preserve the activity.

During the economic crisis of 2008 and ensuing recession, drastic measures were required to reduce general fund allotments:

- The From the Heart of Washington marketing program was discontinued in 2008, saving the state \$200,000 per year.
- WSDA Marketing was again reduced in 2009 by an additional \$150,000 per year and one employee.
- In 2011, the Legislature eliminated the Domestic Marketing and Economic Development, Small Farm & Direct Marketing and Farm-to-School programs, saving the state \$455,000 per year and eliminating 5.5 staff positions.

Today, what remains is WSDA's International Marketing Program budgeted at \$990,000 per year with five employees.

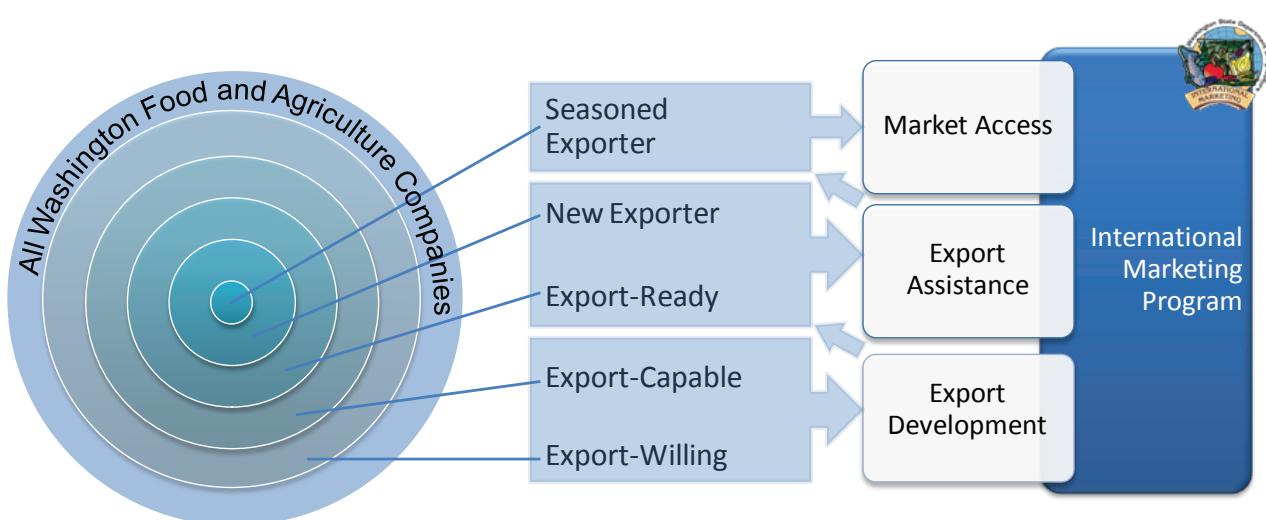
At the same time these state budget reductions were occurring, President Obama announced the National Export Initiative (NEI),

which set the lofty goals of doubling exports in five years and increasing the number of small businesses that export. The Washington Export Initiative (WEI) was the state's planned contribution toward achieving the NEI goals. Under the WEI, WSDA's five-year goals were set to (1) assist 1,000 exporters and (2) deliver \$300 million in assisted export sales. The NEI and WEI both focus on new-to-export and new-to-market company participation.

Exports are critical to Washington agriculture. Approximately 30 percent of all agricultural production is destined for overseas consumers. Yet only 4 percent of Washington companies are currently exporting. WSDA determined that there was significant potential for export growth by bringing new Washington companies to the global marketplace with a new Export Development focus.

### HOW WE ASSIST WITH EXPORTS

It's a challenging process. Companies must first be identified and recruited. A firm must determine whether exporting is appropriate for their business and if they have the resources to be successful. Education and training are the first steps, and companies



## Focusing on the Core Mission During Turbulent Times

must develop their international export strategy and business plan.

Technical assistance follows closely behind. WSDA assists companies in navigating the complex world of export documentation, regulations, legal issues, product labeling requirements and other barriers to trade for small firms.

Appropriate foreign markets must be identified, including what markets are suitable for the supplier's products, what markets will realize the best return on investment, and where buyers are that want their products.

Financial assistance is frequently required, through private bank transaction finance, governmental foreign transaction guarantees or in loans to upgrade a firm's facilities in order to become export capable.

Finally, when all other pieces are in place, WSDA can assist with promotion, outreach and advocacy: leading trade missions; hosting in-bound buyers; sponsoring international trade show participation. The payoff for new successful global sales relationships is expanding income for local firms and job growth here in Washington.



WSDA assists with promotions for Washington state products, like this ad for Washington beef on a building in Taiwan.

## **Chapter 4**

# **Environmental protection: Responding to a changing dairy industry**

The dairy industry has evolved considerably in the last decade. For the first time in several generations, Washington now has fewer than 500 dairies spread across the state. At the same time, the size of the typical dairy has grown to nearly 550 cows. The number of dairies in western Washington continues to decline, while larger dairies have been growing east of the Cascades.

The dairy industry is enormously important for economic development in Washington. The value of milk produced in Washington is nearly \$1 billion and the total economic benefits of the industry, from food processing to international trade, are several times that figure. At the same time, the continued viability of the industry is dependent on more than the economic success of dairy producers. Like all livestock producers, dairy operations need to be aware of the potential impacts their farms may have on the natural resources of the state, and take

steps to reduce the risk of environmental damage.

## **DAIRY NUTRIENT MANAGEMENT**

WSDA participates in a multi-agency state regulatory system that attempts to minimize the environmental impacts of dairy farming. The agency's Dairy Nutrient Management Program has continued to evolve along with the industry and the public's expectations for environmental protection.

Since coming to WSDA, dairy inspectors have by necessity worked closely with many local, state and federal agencies. Dairy management plans are developed by local conservation districts or other dairy planners to standards set by USDA's Natural Resources Conservation Service and the State Conservation Commission. The state Department of Ecology has delegated authority from the U.S. Environmental Protection Agency to enforce strict permit requirements on dairies that have been shown to discharge waste to the waters of the state. Many regulatory agencies have a role in this arena.

WSDA inspects dairies to ensure they have nutrient management plans that reduce environmental impacts of dairy farming and that the dairies are following their plans. When the program came to WSDA in 2003, implementation focused on getting dairies to invest in the physical infrastructure that helps protect the environment. WSDA worked to advise dairies on day-to-day management of facilities and field applications to protect both surface and groundwater. While the focus has long been on technical



*A dairy nutrient management plan inspection.*

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assistance to promote voluntary compliance, WSDA can fine dairies that pollute the surface waters of the state. Very few dairies have not met their initial obligation to implement the nutrient management plans.

Ongoing, regular WSDA inspections have identified and corrected serious deficiencies in dairy farm infrastructure and farming practices. As WSDA visits farms, our inspectors have uncovered lagoon maintenance issues, over application of manure to farm fields and other serious problems that increase the potential for environmental impacts.

When incidents do occur, WSDA responds to manure spills and mismanagement of dairies to minimize environmental impacts. Most dairies have not allowed a discharge to the surface waters of the state, but in cases where discharges do occur, WSDA inspectors work with the dairy to correct the problem as quickly as possible. Swift response can reduce the impacts to aquatic life in nearby streams or even preserve the viability of commercial shellfish production along Puget Sound's shorelines.

In the fall, WSDA conducts lagoon inspections to ensure that dairies have enough storage to manage manure during the rainy months. WSDA inspectors can make better use of their limited time by categorizing dairies by risk, visiting first the higher-risk operations near sensitive areas or salmon-bearing streams. By spurring dairies to take action before the rains come, WSDA reduces the potential that a discharge may occur from overtopping.

## GROUNDWATER CONCERNS

During the past several years, communities and public health officials have become increasingly concerned about nitrates in groundwater in the Yakima Valley, Columbia Basin and other areas. WSDA's dairy inspections have evolved to focus more on protecting groundwater from nutrients that may leach below crops, through the topsoil and into groundwater. In 2005, WSDA collaborated with other industry and government partners to develop guidance material to use with the dairies on nutrient management. WSDA evaluates dairy records on soil nutrient levels and advises dairies when the levels are too high and changes to management practices are needed.

WSDA has requested and received additional legal authorities needed to regulate dairies. Starting in 2010, WSDA gained authority to issue penalties to dairies that do not keep proper records of soil tests and manure applications to their fields and exports of manure off of dairy farms.

WSDA, Ecology and the Conservation Commission are working together to better define the best management practices needed to reach water quality standards for bacteria, nutrients and sediments. The agencies continue to refine how they work together to ensure that producers are meeting their obligations under the law. WSDA continues to evolve its technical assistance and regulatory tools as we work with dairy producers to protect human health and the environment.

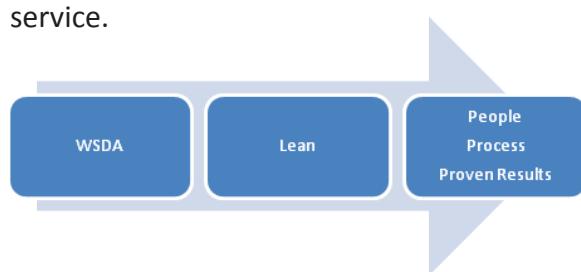


## Chapter 5

# Improving efficiencies, refining processes

Gov. Chris Gregoire issued an executive order in late 2011 that required state agencies to rethink their internal processes from a customer-focused approach. With a slow economic recovery leading to ongoing state budget deficits, the Legislature has been forced to make billions of dollars in cuts to the state budget. Knowing that Washington citizens deserve increased efficiencies as part of the retooling of state government, the governor asked state agencies to redouble their efforts to reduce wasteful steps in every task.

WSDA has accepted this challenge wholeheartedly. Over the course of the last year, the agency has embarked upon implementing the process improvement approach known as Lean – empowering our employees to look at processes through the lens of what value they add for our customers. The focus is squarely on improving customer service.



## IMPLEMENTING LEAN

Teams from across the agency (Organic Food, Food Safety, the Microbiology lab, Brand Inspection, Animal Services, Grain Inspection, Administrative Services and many other programs) have found new ways to cut waste out of their processes so that they deliver better customer service, while increasing employee morale by ensuring more meaningful and rewarding work. Wait times for agency customers have been

significantly reduced. Cost and time savings have been dramatic, in some cases eliminating long-standing backlogs.

WSDA's Food Safety Program processes 3,400 sanitary export certificates each year to support the export of \$9 billion in Washington food products. The certificate, required by many of the countries that import Washington's products, verifies that a licensed food processing business meets food safety regulations and has been inspected by WSDA in the past 12 months. Many food exports won't reach foreign consumers without these certificates.

Using the principles of Lean, WSDA's sanitary certificate team adopted 11 process



Sanitary certificate tracking system (above) developed using Lean. Poster (below) reminds staff how critical these certificates are.

**1 Certificate = 1 Container**  
of Washington Food Products



## Focusing on the Core Mission During Turbulent Times

changes, from intake and document production to filing and billing. The results speak for themselves: WSDA customers now receive their certificates in less than half the time. Frequently, those who request a certificate get same-day service.

### WASTE COLLECTION GETS LEAN

In another testament to the success of Lean, WSDA's Waste Pesticide Disposal program serves an important need, but hasn't seen a budget increase in two decades. Over the past two decades, the team has collected for proper disposal more than 2.7 million pounds of unwanted or hazardous agricultural and commercial pesticides from 7,500 customers. The program has been a dramatic success. By sending these chemicals to be properly destroyed at a licensed facility, we reduce the risk they may be spilled or improperly buried with potentially serious impacts to the natural environment.



A waste pesticide collection event.

When the program was developed, WSDA scheduled pesticide collection events in communities around the state. Those wishing to participate would sign up in advance, get the help they needed to secure their pesticides for transportation, and then deliver them to the site at the appointed time. The program continued to receive more requests for service than WSDA had the ability to meet. Even reducing the disposal cost per pound through efficiencies was not enough. The process frequently led to last-minute work, added overtime expenses and employee stress, while making it difficult to manage the program's budget.

The team adopted a new approach by using Lean tools and process mapping. They took a step back, eliminated wasteful steps and rebuilt the program's processes. Rather than continuing to schedule pesticide collection events, the program now takes individual requests for service. The largest quantities of pesticides, more hazardous chemicals or higher risk storage situations are given priority for disposal. The program can now budget based on the known quantity of pesticides that will be destroyed. Staffing costs are reduced. By redesigning the process, more program resources can be devoted to destroying unwanted pesticides.

### OUR CULTURE OF INNOVATION

The agency has found early success with Lean because it builds on a culture of process improvement and a respect for the abilities of WSDA employees. Another example of dramatic process improvement can be found in the highest volume licensing program at WSDA. More than 20,000 individuals and businesses seek pesticide licenses or license recertification each year. These licenses are a requirement for doing business as a pesticide applicator, dealer or structural pest inspector in Washington.

## Washington State Department of Agriculture

In 2004, the licensing program was saddled with a large database that could not be supported or improved to take advantage of new technology. The program had streamlined its processes as much as possible, but was hindered from further progress by the limitations of that legacy database. Despite the best efforts of staff, it was impossible to speed up the turnaround of license applications and requests for recertification course approval without technological advancements.

WSDA launched a major overhaul of the pesticide licensing processes. By 2007, customers were able to access their license and recertification records online. On-demand access to licensing status greatly reduced the number of phone calls to and from customers. WSDA employees were able to reprogram their time to provide more in-depth customer service on complex issues. The ability to create and email documents directly from the database eliminated the mailing and faxing of virtually all paperwork associated with approximately 700 annual recertification courses.

In 2011, the program passed another milestone: online renewal. This new option allowed for same-day license renewal for customers, no direct work by fiscal and licensing staff and reduced mailing costs.



*With online renewals, staff now process less paper.*

In addition, the program began to collect recertification course attendance records electronically, eliminating time-consuming data entry and allowing for almost immediate posting of course attendance records.

The technological advancements have resulted in considerable savings in terms of staffing, printing and postage that helped put the Pesticide Management Division in a better position to weather the elimination of all State General Fund. The Licensing Program no longer had a need to hire temporary staff during times of peak workload and permanent staff levels have declined by one-third.

Furthermore, automating many licensing processes and moving records online gives the public access to real-time information on who is properly licensed to use, sell and consult on the use of pesticides. Because dealers can view records online, they are confident that those buying the most hazardous pesticides are properly licensed. WSDA's Compliance Program can also quickly suspend the licenses of applicators and structural pest inspectors who have failed to meet the financial responsibility requirement. All of the programs many customers are receiving better service due to these improvements.

## CULTIVATING NEW LEADERS

WSDA has long been a place where people love to work. Many employees join the department, discover their passion and vocation, and spend the remainder of their careers serving the public here at the agency. We're proud of that tradition of service. In many areas, however, WSDA is facing the loss of experienced supervisors and managers through impending retirements. The potential negative impact of this looming issue is too serious to ignore.

## Focusing on the Core Mission During Turbulent Times

To ensure we have the experienced leadership needed to maintain quality services, the agency has initiated a Leadership Development Project. Championed by agency executives, the project provides internal professional development opportunities for staff by encouraging employees to accept new challenges and grow into new roles.



*Jim Quigley, Administrator of the Fruit & Vegetable Inspection Program, where the Leadership Development Project began before agency-wide adoption.*

The project actively looks for opportunities to give staff temporary developmental assignments and leadership experiences. In most cases, employees compete for acting appointments to supervisory or management positions through a voluntary application process. Candidate selection is based on demonstrated leadership potential and a sincere desire to improve leadership and managerial skills. Appointees are assigned mentors to provide technical and leadership guidance, as well as performance appraisal during their temporary assignments.

We have many quality staff interested in growing as leaders—not merely for the sake of promotion, but also because these opportunities help them grow as people. Excellent leadership doesn't just happen; it requires effort, learning and personal change. We're adopting a deliberate strategy to invest in our people as we develop future leaders at all levels of the organization. When leaders throughout the organization are encouraged, valued and acting in concert for the good of the agency, we can ensure that our customers reap great rewards.

