

HOUSE COMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

April 20, 2005 Hearing Room 343

8:30 A.M. Tape 61

MEMBERS PRESENT: Rep. Scott Bruun, Vice-Chair

Rep. Jeff Merkley, Vice-Chair

Rep. Peter Buckley

Rep. John Dallum

Rep. Donna Nelson

Rep. Chuck Riley

MEMBERS EXCUSED: Rep. John Lim, Chair

STAFF PRESENT: Jim Stembridge, Committee Administrator

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

HB 3063 – Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
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TAPE 61, A

001 Vice- Chair Bruun Opens the meeting at 8:36 a.m. Opens a public hearing on HB 3063.

HB 3063 – PUBLIC HEARING

005 Jim Stembridge Committee Administrator. Explains HB 3063, which authorizes State Department of Agriculture to issue grants to assist persons in constructing and operating livestock quarantine facilities designed primarily to qualify disease-free livestock for export. Submits and summarizes -1 amendments (**EXHIBIT A**).

011 Dalton Hobbs Assistant Director, Oregon Department of Agriculture (ODA). Speaks to opportunities for ODA to further develop and expand Oregon’s agricultural export market, in particular the exporting of livestock China, Taiwan, and Korea.

035 Hobbs Addresses the need to have “a world class quarantine facility” in Oregon and the efforts of ODA to win a federal grant for conducting a feasibility study for such a facility.

055 Rep. Dallum Asks what kind of herd improvement animals are being sought by the Asian markets.

060 Hobbs Explains that the Asian markets primarily want cattle for dairy industry, but there is significant industry for beef animals in Korea.

074 Rep. Dallum Asks what quality of cattle is being sought by Korea.

079 Hobbs States that the Korean market is looking for black cattle.

084 Rep. Dallum Asks for a further explanation regarding the purpose of the one-hour quarantine provision.

088 Hobbs Explains that the purpose of the provision is to maintain the chain of custody and minimize the opportunity for contaminating the livestock.

107 Rep. Dallum Asks that ODA provide copies of federal regulations governing the quarantine of livestock.

114	Rep. Nelson	Asks whether the Port of Coos Bay is accessible to vessels that ship livestock.
126	Hobbs	States that Portland has the air cargo capacity to ship livestock and that the Port of Coos Bay would be “more than adequate” to accommodate the vessels necessary to ship livestock.
142	Rep. Nelson	Asks if the money for agricultural grants comes from the federal government.
145	Hobbs	Explains that ODA has been successful in competing for open grants from the federal governments State Market Improvement Program.
155	Rep. Nelson	Asks why it is necessary for ODA to have \$8 million dollars from the General Fund for a quarantine facility if ODA has applied for a federal grant.
158	Hobbs	States that the grant that ODA has applied for is only to cover the cost of the quarantine feasibility study, the grant would not cover the capital construction costs or development costs of facility.
162	Rep. Nelson	Asks if a private-public partnership would be the best way to fund and manage such a facility.
165	Hobbs	Explains that as part of the feasibility study, ODA will be taking “an in-depth look” at the best possible configuration for assigning the responsibility for organizing and governing a quarantine facility.
176	Rep. Nelson	Clarifies that the \$8 million dollars would not be needed during the 2005-07 biennium.
179	Hobbs	Explains why it would “be prudent” for ODA to conduct the feasibility study before soliciting contracts or General Fund money for construction and development.
192	Rep. Riley	Asks if the federal grant has a state match requirement.
195	Hobbs	Points out that there is a state match requirement, but it is typically an in-kind match.
202	Rep. Dallum	

		Asks about current status of discussions regarding ODA forming a trade team to travel to Asia.
209	Hobbs	Confirms that such a trade team could be formed, but currently the discussion is only conceptual.
228	Vice-Chair Bruun	Asks for a status report on the economic viability of the beef cattle and ranching industries in Oregon.
232	Hobbs	Addresses the economic status of the cattle and ranching industries in Oregon.
256	Vice-Chair Bruun	Asks what the estimated value of the cattle industry is in Oregon.
257	Hobbs	States that the estimated value is about one billion dollars.
267	Ralph Goodwin	President, Oregon West Federal Credit Union. Testifies in support of HB 3063 and to the economic importance of the cattle industry to John Day and Grant County.
303	Goodwin	Submits and summarizes <i>Blue Mountain Eagle</i> newspaper article explaining the economic impact of the Strawberry Mountain Natural Beef processing facility in Grant County (EXHIBIT B).
307	Rep. Dallum	Asks whether the Strawberry Mountain Natural Beef products are processed for export or the local market.
309	Goodwin	States that their product is primarily shipped to restaurants in the Western United States.
315	Rep. Dallum	Addresses the important role of transportation in the development of a strong agricultural market in Oregon and the need for the construction of transportation infrastructure in Grant County.
322	Vice-Chair Bruun	Closes the public hearing on HB 3063. Adjourns the meeting at 9:00 a.m.

EXHIBIT SUMMARY

A. HB 3063, -1 amendments, staff, 1 p

B. HB 3063, *Blue Mountain Eagle* Newspaper Article, Ralph Goodwin, 2 pp