

SENATE COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

January 18, 1999 Hearing Room 50

4:30 P.M. Tapes 6 - 8

MEMBERS PRESENT: Sen. Gary George, Chair

Sen. Thomas Wilde, Vice-Chair

Sen. Tony Corcoran

Sen. Ted Ferrioli

Sen. Bill Fisher

Sen. John Lim

MEMBER EXCUSED: Sen. Joan Dukes

STAFF PRESENT: Brad Harper, Administrator

Kristal Hatton-Nease, Administrative Support

ISSUES HEARD: Introduction of Committee Bills

LC 2111

LC 2498

LC 2499

LC 2500

Informational Meeting

Oregon Department of Agriculture

- **Agency Overview**
- **Legislative Concepts**

Natural Resource Producers ñ Legislative Concepts

- **Oregon Cattlemenís Association**
- **Oregon Wheat Growers Association**
- **Oregon Sheep Growers Association**

- Oregon Association of Soil & Conservation Districts
- Oregon Association of Nurserymen
- Oregonians for Food & Shelter
- Associated Oregon Industries
- Oregon Farm Bureau Federation

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
Tape 6, A		
006	Chair George	Opens Informational Meeting at 4:35 p.m.
<u>INFORMATIONAL MEETING</u>		
030	Lorna Youngs	Acting Director, Oregon Department of Agriculture (ODA). Presents a slide presentation on the Oregon Department of Agriculture. Issues discussed:
		Oregon leading products
		Oregon's top agriculture counties
		Value of farm and ranch productions
		Agriculture's economic contribution to the state
		Food processing firms
		Agriculture related employment
		Oregon's top export markets
091	Youngs	Oregon Department of Agriculture's Mission
		Food Safety and Inspection Division

		Measurement Standards Division
		Laboratory Services Division
		Export Services Center
180	Youngs	Animal Health and Identification Division
		Natural Resources Division
		Plant Division
		Pesticide Program
264	Youngs	Commodity Inspection Services
		Agriculture Development and Marketing Division
		Departmental Goals
311	Sen. Lim	Comments on the \$3.4 million in exports to other counties. Asks if this includes all exported products from Oregon or if some of the products are just passing through from somewhere else.
318	Youngs	Replies that refers to the farm gate value of Oregon agriculture production. Adds not all of it is exported.
324	Sen. Lim	Asks what percent of that is value-added products.
332	Youngs	Says Oregon is below the national average. Adds Oregon sends out more raw products than other counterpart states.
338	Sen. Lim	Asks if there has been any improvement in the past five years.
342	Youngs	Responds she can get that information.
351	Chuck Craig	Assistant Director and Legislative Liaison, Oregon Department of Agriculture (ODA). Presents testimony on the Oregon Department of Agriculture's 1999 session legislative concepts and submits [EXHIBIT A] . Says the ODA is proposing fifteen pieces of legislation. Other issues discussed:

372		HB 2119: Revision of state permitting of exotic animals.
Tape 7, A		
036	Chair George	Says this sounds reasonable. Asks if there has been any resistance to this change.
039	Craig	Answers he is not aware of any opposition.
054	Sen. Wilde	Comments there is the option at the local level to make ownership of such animals illegal. Explains.
064	Sen. Fisher	Comments insurance companies not wanting to insure people with exotic animals are not new. Details a personal situation of his own in the 1960s.
074	Craig	Continues presentation. Additional ODA concepts discussed:
		HB 2117: Regulation of Non-nutritive Constituents of Fertilizers
		HB 235: Civil Penalty Authority for Quarantine Violations and Failure to Obtain Nursery License.
123	Chair George	Comments Christmas trees can be sold locally. Asks if the main problem is the unlicensed Christmas tree buyer.
126	Craig	Replies someone forged and inspection report on Christmas trees. Says if someone gets away with this the department's option is to go to court and have it prosecuted as a criminal situation. Adds this is much too costly.
133	Youngs	Adds the nursery industry is similar. <i>[recording equipment cut out]</i> .
143	Craig	Continues. Issues discussed:
		HB 2118: Weed Control Emergency
162	Chair George	Comments he is amazed the Department of Agriculture doesn't have that authority. Explains.
171	Sen. Fisher	Asks if this is restricted to private ownership.
177	Craig	Says this concept is directed at private land. Adds originally the ODA was going to direct it at public land, however, Legislative Counsel advised there was a problem with unfunded mandates.

223	Chair George	Comments on his district. Says government should be as responsible as a private citizen.
239	Craig	Continues testimony. Additional ODA concepts discussed:
		HB 2120: Repeals Veterinary Products Registration Sunset
		HB 2116: Repeals Sunset for Agriculture Mediation Program
258	Sen. Fisher	Asks if veterinary organizations are in opposition to removing the sunset.
266	Craig	Replies the Oregon Veterinary Medical Association recently voted to support the repeal of the sunset.
285	Sen. Fisher	Comments he is glad to hear that. Asks if the repeals of the sunsets are permanent.
288	Craig	Responds yes, the repeal is permanent.
292	Sen. Lim	Asks what is the purpose of SB237.
296	Craig	Responds the purpose is to enable the Ginseng Advisory Board to place its money in an interest bearing account instead of in the General Fund where the interest accrues to the General Fund of Oregon.
306	Sen. Lim	Comments on the ginseng industry in Oregon.
311	Chair George	Comments on the employees of the Oregon Department of Agriculture.
<u>INTRODUCTION OF COMMITTEE BILLS</u>		
352	Sen. Lim	MOTION: Moves LC's: 2111, 2498, 2499, 2500 BE INTRODUCED as committee bills.
360		VOTE: 7-0
364	Chair	Hearing no objection, declares the motion CARRIED.
<u>INFORMATIONAL MEETING</u>		

371	Jean Underhill Wilkerson	Oregon Cattlemen's Association. Issues discussed:
392		Healthy Streams Criteria
Tape 6, B		
029	Wilkerson	Navigability determination process
051	Glen Stonebrink	Oregon Cattlemen's Association. Issues discussed:
		Cattle production in Oregon
		Outstanding resource waters
		Dam and reservoir removal
		Optimum sustained population of Seals
119	Stonebrink	Measure 66 funds
		Memorandums of Understanding & Agreement (MOU & MOA)
		Removing the Oregon Endangered Species Act
163	Sen. Corcoran	Comments there was extensive discussion of the Oregon ESA in the 1995 legislative session.
174	Stonebrink	Replies he meant the bold move in removing the Oregon ESA had not been addressed.
176	Sen. Lim	Asks what is the difference is between a MOA and a MOU.
179	Stonebrink	Responds he is not sure, but says he was told the MOA is stronger than the MOU. Adds he was told by U.S. Senator Gordon Smith's office that both an MOA and an MOU carry the full force and effect of law.
191	Sen. Wilde	Asks if Oregon is going to determine the maximum reasonable population statewide or is Oregon going to be doing that by watershed.
201	Stonebrink	Responds the purpose of the legislation is to address this legislatively. Explains.

215	Mike Dewey	Oregon Wheat Grower's League. Explains the Oregon Wheat Grower's League. Other issues discussed:
		Extensive research package
267	Dewey	Healthy streams initiative.
		Breaching of dams
		Mustard seed and Canola research at OSU
328	Sen. Wilde	Asks when the discussions of how to spend the salmon restoration dollars will take place.
330	Dewey	Responds the discussions have already started.
370	Sen. Wilde	Asks how wheat growers view their industry in terms of export market and the grower's financial condition.
378	Dewey	Comments most commodity prices are down in Oregon. Adds 80-85% of wheat grown in the Pacific Northwest is exported to primarily Asian markets.
<u>Tape 7, B</u>		
026	Sen. Fisher	Comments on the OSU Extension Service budget. Says he was told there was extra money in the budget for some of the research programs.
040	Dewey	Discusses OSU's continuing service budget. Says the proposed budget is \$16.5 million above the Governor's proposed budget. Says he asked OSU to get serious about where the money is needed most.
052	Chair George	Comments tremendous pressure has been put on agriculture industry to comply with environmental regulations. Explains.
067	Dewey	Agrees. Comments on what Warren Cronstadt has done for wheat growers in Oregon. Says he is going to be retiring. Adds the Wheat Growers League need to make sure top people, like Cronstadt, are available.
086	Ted Hughes	Oregon Association of Nurserymen. Echoes the budgetary request of the Wheat Growers League. Comments on the nursery industry in Oregon. Issues discussed:
		Water storage bill

167	Hughes	Oregon Garden in Silverton
201	Sen. Ferrioli	Comments the Association of Nurserymen usage of water. Asks witness to share concerns about the salmon restoration plan.
218	Hughes	Responds the Oregon Association of Nurserymen has not been a major player in the salmon recovery plan.
228	Sen. Ferrioli	Comments the second iteration of the salmon plan will affect many industries, including the nurserymen.
231	Hughes	Responds he did not mean to be flippant about it. Adds the Association of Nurserymen are very concerned about the management of the salmon plan.
245	Scott Aschom	Comments the Association of Nurserymen introduced legislation that would require nurseries test their water.
273	Sen Ferrioli	Comments Oregon is lucky its nursery industry is large and has such an impact on Multnomah and Clackamas Counties. Says this makes it easier for people in urban areas to understand the need to protect agricultural resources in Oregon.
291	Terry Witt	Executive Director, Oregonians for Food and Shelter. Explains the Oregonians for Food and Shelter organization is comprised of a 26-member board of directors. Other issues discussed:
		Oregonians for Food and Shelter's Mission
333	Witt	Right to know legislation in the area of pesticide use
343	Chair George	Comments the State Fire Marshal's said the quantities of materials in pesticides were recorded.
349	Witt	Says the materials are currently reported currently by distributors and sellers. Adds much of the data is available.
373	Chair George	Understand the information is available on the internet.
375	Witt	Responds the information is not on the internet but is available to people upon request.
386	Sen. Wilde	Says the State Fire Marshal's office did say it was on the internet.
399	Scott Aschom	Comments the City of Portland's information is on the internet.

Tape 8, A

003	Chair George	Comments on restricted use pesticide. Asks if the Department of Agriculture has the authority to trace the usage of pesticides.
009	Youngs	Says the department knows the number of licensees and who is licensed. Adds the department does investigate complaints of pesticide misuse. Says the problem arises when there is a non-source point issue.
026	Chair George	Comment this doesn't seem like a complex issue.
034	Youngs	Says it would require a state investigation for each incidence instead of a query into a database.
042	Chair George	Asks how many reports of contamination does the Department of Agriculture receive each year.
047	Youngs	Replies a system for monitoring minute traces of pesticides throughout the state's water supply is not currently in place.
054	Witt	Says in 1990 the national farm bill did allow for investigation of records by environmental and health professionals. Adds a use reporting system would not show potential misuse. States the second area of concern the ODA will be working closely on is the issue of fertilizer regulation. Adds the ODA does not have the authority to regulate the non-nutritive components of fertilizer.
092	Chair George	Asks if the ODA is drafting any legislation on that issue.
094	Witt	Says the department is reviewing a draft concept relating to certification as opposed to setting standards. Adds the third area of concern is the fee increases upon the farm and forestry industry. Says the Governor's Tax Review Task Force recommended, as a possible revenue source, instituting a fully integrated tax system for agricultural practices in Oregon.
128	Chair George	Comments it sounds like sale tax.
130	Witt	Expresses concern that the Governor's task force is putting forth the recommendation to possibly impose a 5% excise tax on the sale of pesticides and up to a 1% tax on fertilizer on levied upon people in other states who are exempt.
152	John Ledger	Associated Oregon Industries. Gives information on AOI members. Issues discussed:
		Extending DEQ permits program sunset

216	Ledger	Community right to know programs
		Streamlining DEQ fee increases
		Emissions trading
264	Joe Hobson	General Counsel, Oregon Farm Bureau Federation. States there is one bill in particular the Oregon Farm Bureau Federation is concerned about. Says it would give DEQ authority over agricultural burning. Adds the Oregon Farm Bureau Federation is interested in all the environmental issues before the committee and in helping farmers and ranchers.
312	Chair George	Asks if the Oregon Farm Bureau Federation has any opinion on the State Fair operation.
313	Hobson	Responds the Oregon Farm Bureau Federation does not have opinion on the State Fair. Admits it is important to the agriculture industry in Oregon.
321	Chair George	Adjourns the meeting at 6:30 p.m.

Submitted By, Reviewed By,

Kristal Hatton-Nease, Brad Harper,
Administrative Support Administrator

EXHIBIT SUMMARY

A - ODA Legislative Concepts, Chuck Craig, 4 pp.

B ñ LC 2111, 2498, 2499, 2500, Staff, 2 pp.