

# Oregon Department of Agriculture



## 2013-2015 Governor's Recommended Budget

Ways and Means Subcommittee  
on Natural Resources

# Key Take-Home Messages

- Programs achieve goals and desired outcomes through technical expertise and strong relationships with partners, customers, and ag industry
- Programs fulfill unique niches – regulatory, fee-for-service, technical assistance, marketing – that achieve desired outcomes
- Over the last 10 years, we have adapted to industry trends as well as budget challenges
- Long-term stable funding will help us continue to achieve desired outcomes

# Oregon Department of Agriculture Mission and Core Values

## Our three-fold mission

1. Food Safety and Consumer Protection
2. Protecting the Natural Resource Base
3. Marketing Agricultural Products

## Our core values

- Honesty, integrity, and fairness
- Technical and professional competence
- Respect for people and property
- Practical approaches to problem solving
- Service oriented

# Agency Goals

- Enhanced market access through market development, inspection, and certification.
- Sustainable development of the agriculture sector and agricultural programs to foster job capacity, retention, and expansion.
- Enhanced utilization of locally produced Oregon foods in school lunch programs.
- Licensing and proper use of pesticide products.
- Conservation and protection of air, water, and land resources in the agricultural setting.
- Exclusion of non-native insect pests, diseases, and noxious weeds through survey, detection and control.
- A safe and wholesome food supply for all Oregonians.
- Animal disease-free status for the animal agriculture sector.
- Laboratory capacity to test and verify food safety, animal health, and natural resource protection programs.
- Enhancement of our information technology capabilities to streamline and improve internal and external delivery of services.



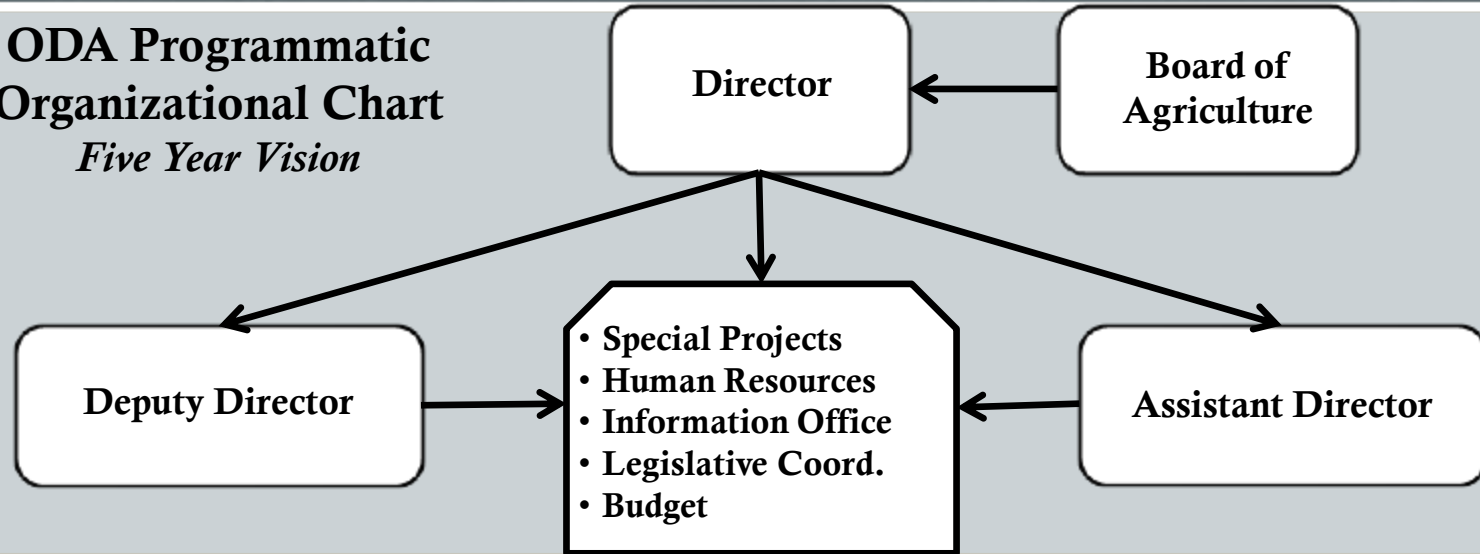
# ODA Program Unit Areas

What we do

Desired program outcomes

How we achieve desired outcomes

**ODA Programmatic  
Organizational Chart**  
*Five Year Vision*



**Market Access & Certification Programs**

- SPI
- Seed
- Hop/Hay/Grain
- Certification
- Marketing
- Commodity Commissions

**Food Safety & Animal Health Programs**

- Food Safety
- Shellfish Sanitation
- State Veterinarian
- Animal Feeds
- Brands
- Predator Control
- Emergency Preparedness
- Shellfish Leasing

**Natural Resource Programs**

- Water Quality/SWCD
- Smoke
- Pesticide/PARC
- Fertilizer
- CAFO
- Land Use
- GIS

**Plant Programs**

- IPPM
- Plant Conservation/Weeds/Invasive Species
- Nursery
- Christmas Tree
- Nursery Research
- Sage Grouse/Juniper Working Groups
- Risk Management
- Agency Training
- Plant Lab\*

**Internal Service & Consumer Protection Programs**

- Weights & Measures
- Motor Fuel Quality
- Wolf Compensation
- Caged Hens
- Lab X 4
- IS
- Financial Services\*
- Licensing\*

\* Long term vision



# Market Access & Certification Programs

Creating awareness, access and opportunity, and jobs for Oregon

# Program outcomes and the Governor's Budget

## Related success metrics in Governor's Budget

- The value of Oregon's agricultural production and net farm income increases by an average of 5% per year over the next 10 years.
- 25,000 net new jobs are created per year

## Strategies to get there

- Grow Oregon's traded sector and industry clusters
- Leverage Oregon's global competitive advantage for industries like specialty agriculture
- Increase access to capital, markets & support for small business
- Improve access to water, land and lower energy costs for ag



# How we achieve goals and outcomes

*The Market Development Program works in four major program areas:*

1. We foster vibrant local food economies and jobs
2. We create opportunity in local, regional and international markets
3. We inspect and certify Oregon agricultural products
4. We conduct audits and certify to meet marketplace expectations

# 1. Working from the ground up to create vibrant local food systems

- We innovate novel Farm to School programs so Oregon kids get more locally grown products at school
- We develop capacity for Oregon farmers to sell nutritious locally grown products at farm stands, Community Support Agriculture (CSA) and over 100 Farmers Markets around the state
- We assist start-ups through a unique partnership with OSU at the Food Innovation Center – we grow jobs by adding value to agricultural products



## 2. We create awareness and develop markets for Oregon agricultural products

- We work directly with offshore governments to resolve trade barriers for Oregon products
- We mobilize trade missions and organize trade shows for Oregon companies to learn about market demand and sell their product
- We work with ports, railroads and air and motor carriers to get Oregon products to market
- We provide a safe harbor where growers/fishermen and processors can come together to negotiate price



### 3. Official inspections provide market access – and jobs for growers and shippers

- The scope of our official inspection services is truly broad and statewide – we inspect and certify nearly all agricultural and livestock products sold outside of Oregon
- Timely and efficient inspections and certifications are necessary to move live & perishable products from grower to end user
- We are the sole licensed program in Oregon to issue US Department of Agriculture Phytosanitary certificates required for movement of most fresh agricultural products



## 4. Systems based audits and alternative inspections provide innovative solutions

- We partnered with the private sector and government to develop and implement novel alternative inspections programs
- These programs are now better aligned with marketplace expectations and are the fastest growing area of service delivery in the agency
- Internal expertise and capacity were developed to offer official ODA certification of pesticide residues on agricultural products – no other state offers this service



# Interview from Governor's Trade Mission

<http://youtu.be/lfSTwtCt3Uc>



# Natural Resource Programs

Protecting natural resources for future generations

# Program outcomes and the Governor's Budget

## Related Healthy Environment success metrics in Governor's Budget

- At least 60% of monitored stream sites in good to excellent condition
- Water quality improving
- Toxics reduced by 50%
- Intensive ag land loss limited to 3500 acres per year

## Strategies to get there

- Water quality monitoring
- Reduce polluted runoff
- Watersheds, fish and wildlife
- Sustain working farms



# How we achieve goals and outcomes

## *The Natural Resource Area works in three principal areas:*

1. We work to improve the air, soil and water resources of Oregon
2. We reduce Oregonian's exposure to toxics while ensuring private and commercial use of crop protection tools
3. We protect Oregon agricultural land use so future generations can continue to farm and produce the bounty that drives 15% of Oregon's economy

# 1. Making a difference in environmental conditions on Oregon agricultural lands

- Our programs are the primary tools to ensure air, water and land quality goals are achieved on Oregon's agricultural lands
- Our Agricultural Water Quality Program is nationally recognized for its unique approach and coordinates with DEQ, ODF, OWEB, ODFW and other natural resource agencies
- 45 Soil & Water Conservation Districts are on the ground and Confined Animal Feeding Operation programs bring innovation to the local level to protect Oregon's environment and economy



## 2. Reducing exposure to Pollutants -- *Better for People & Better for the Environment*

- We protect Oregon's health by registering and licensing of 11,000 products & 17,000 licensed commercial pesticide applicators
- Novel outreach programs help train both public and licensed users to ensure compliance with federal laws and reduce toxic impacts in Oregon – only 290 pesticide use complaints last year
- Ongoing innovation in monitoring of water quality for toxics along with DEQ, ODFW and ODF



# 3. Protecting Agricultural Use of Land

*One of Oregon's most treasured legacies*

- We strongly advocate for the protection of agricultural land-use and appropriate farm practices
- We innovate programs to resolve conflicts of use while protecting land owner rights – a difficult challenge at times
- In every corner of Oregon there are fabled production regions and we work to ensure they are more than just memories for future generations





# Plant Programs

Keeping the gypsy moths out and the Christmas trees rolling

# Program outcomes and the Governor's Budget

## Related success metrics in Governor's Budget

- The net value of Oregon's ag production and net farm income increases by an average of 5% per year over the next 10 years.
- At least 60% of monitored stream sites are in good to excellent condition, and water quality is improving across the state.

## Strategies to get there

- Increase access to capital, markets and support for small business.
- Leverage Oregon's global competitive advantage for industries such as agriculture (due to absence of most pests and plant diseases).
- Balance ecological and economic interests to improve the health of watersheds, and fish and wildlife habitat (by excluding invasive species).

# How we achieve goals and outcomes



1. We prevent introduction of invasive insect pests, plant diseases and weeds
2. When they occur we eradicate or control them
3. We assist producers with market access by inspecting their products for pests prior to export to other states or internationally
4. We protect threatened and endangered native plants from extinction

# 1. Keeping invaders out

- We focus on early detection and rapid response to keep as many invasive species out of Oregon as possible
- This strategy helps minimize pesticide use, protect watersheds and human health
- We adopt and enforce plant protection quarantines
- Remote controlled traps reduce field staff cost and mean more timely detection of invasive insects
- Insect pest controls help keep Oregon product moving out of state and overseas





## 2. Eradication or control

- We are increasing use of biological and Integrated Pest Management tools to protect the environment
- We have released 71 species of biocontrols against over 30 species of weeds
- We maintain the noxious weed list which helps prioritize noxious weeds for control
- Thirty year history of protecting Oregon from gypsy moth, Japanese beetle, and other invasive pests.



# 3. Certifying plant products as disease and pest free

- We protect Oregon's nursery and Christmas tree industries from introduction and spread of pests, disease and noxious weeds
- These services maintain domestic and international market access for Oregon's nursery and Christmas tree producers
- New inspection & certification techniques for nursery and Christmas trees mean expanded markets for growers



# 4. Protecting rare plants

- We collaborate with agencies, organizations, businesses, and individuals to conserve Oregon's rich native plant diversity
- We develop methods to reintroduce and recover T & E plants
- We evaluate factors that limit rare species recovery





# Food Safety & Animal Health

Protecting Oregon's consumers and keeping animals healthy

# Program outcomes and the Governor's Budget

## Related success metrics in Governor's Budget

- The value of Oregon's agricultural production and net farm income increases by an average of 5% per year over the next 10 years

## Strategies to get there

- Leverage Oregon's global competitive advantage for industries like specialty ag
- Increase access to capital, markets and support for small business
- Improve the regulatory environment for large and small business

# How we achieve goals and outcomes

*The Food and Animal Health area works in two major program areas:*

1. We inspect food processors and retailers to prevent food-borne illness in Oregon
2. We keep Oregon animals and people safe from animal-borne disease

# 1. Making sure Oregon's food is safe

- We inspect and license food processors and retail establishments to ensure sanitary conditions and prevent foodborne illness – our program is “Risk Based” with inspection priority given to high risk areas
- We coordinate closely with the Oregon Health Authority and the US Food and Drug Administration to investigate foodborne illness and effect product recalls – this is the kind of government cooperation people expect
- We coordinated with Oregon Health Authority to implement the first unified Food Code
- We provide technical assistance to start-up food companies to ensure they comply with applicable food safety regulations and guidelines
- We operate surveillance and testing programs for dairy products and shellfish to allow for interstate and international shipment



## 2. Keeping Oregon's animals disease free and protecting public health

- We work to track the health and movement of livestock to prevent disease outbreaks in Oregon – like BSE (mad cow disease), TB, Brucellosis
- State veterinarians work with federal counterparts to identify emerging disease risks and implement strategies to maintain Oregon's disease free status
- Disease free status allows for the timely and efficient movement of livestock to market
- Our experience shows the adverse economic impact of a single case of BSE.







# Consumer Protection Programs

Ensuring Oregonians are getting what they pay for, providing the scientific verification, administering other critical programs

# Program outcomes and the Governor's Budget

## Related success metrics in Governor's Budget

- The value of Oregon's agricultural production and net farm income increases by an average of 5% per year over the next 10 years

## Strategies to get there

- Grow Oregon's traded sector and industry clusters
- Leverage Oregon's global competitive advantage for industries like ag
- Increase access to capital, markets, and support for small business

# How we achieve goals and outcomes

- We assure the accuracy of all commercial weighing and measuring devices
- We ensure that motor fuel purchased in Oregon meets national standards and Oregon's renewable fuel standards
- We operate accredited laboratories to test food & agricultural products
- We administer other key programs including wolf compensation and caged laying hens



# 1. Giving good weight– an essential government service for a level playing field

- We check scales and meters to ensure accuracy and uniformity when commercial transactions are based on physical measurement
- Our weights and measures laboratory has achieved the highest accreditation from the National Institute of Standards and Technology (NIST) – Echelon One
- We keep Oregon’s high-technology companies competitive with precision measurement calibration to the highest international standards (ISO)
- We test motor fuels to prevent distribution of poor quality fuels and have developed quality standards for renewable motor fuels



## 2. Laboratories provide the science

- The ODA laboratories are licensed by the governments of Japan, Korea and Taiwan to provide pre-shipment inspection, label review and testing for export food and agriculture products – this is unique among the 50 states
- Certification provides a new tool to add value to Oregon agricultural products
- These analytical services increase the competitiveness of Oregon products in export markets
- The laboratories also support the ODA's regulatory functions with official state and US Food and Drug Administration, EPA, and USDA testing services



### 3. Administering other valuable programs



- We are administering a new program that will regulate cage sizes for egg-laying hens
- We administer the wolf compensation program to help livestock producers mitigate livestock losses from wolf reintroductions





# Agency Performance

Performance measures

Other indicators of effectiveness

Major changes in the last 10 years

# Key Performance Measure Summary

- 12 Key Performance Measures are meeting or exceeding targets
- 3 Key Performance Measures are not meeting targets
- 0 Key Performance Measures were significantly modified in 2011 and have little or no data available.



# Proposed KPM Changes

## Proposed new KPMs

- Percent A & T listed noxious weeds excluded, decreasing or stable
- Number days to process and issue certification after audit completion
- Percent weighing and measuring devices found in compliance with OR weights and measures laws

## Delete KPMs

- Percent of state-listed noxious weeds excluded, decreasing or stable
- Number acres certified where ODA provided tech assistance or auditing
- Percent motor fuel samples found in compliance with posted octane levels

# Additional measures of effectiveness

- Sole access to Korean blueberry markets
- 60% of China's grass seed purchases; consuming 10% of Oregon production
- Fresh potatoes to Korea and Taiwan
- 90% of Malheur Co onion growers use ODA residue certification program
- Helping Oregon schools source more local products



# Additional measures of effectiveness

- ODA is trusted by Oregon farmers and ranchers – this trust allows for partnerships that are core to our environmental program of work
- This partnership makes success possible – often in difficult settings where agricultural practices can have significant environmental impacts offsite or downstream
- We are making progress – TMDL, NPDES, Clean Water Act and other areas
- Better monitoring will tell us more about where to prioritize resources and operate in the future – innovation will be key
- Increased coordination with Oregon natural resource agencies will optimize service delivery and reduce parallelism



# Additional measures of effectiveness

- Oregonians expect safe and wholesome foods – we measure our success with the Centers for Disease Control (CDC) 10 risk factors
- Our work is prioritized by these risk factors and consistently 95% of all Oregon companies are in current compliance- this means safer food
- Oregon is currently free of all major animal diseases such as Tuberculosis, Brucellosis and foot and mouth disease
- At the pump 99.32% of the fuel we purchase is of quality Oregonians expect – this reduces environmental and economic impacts for Oregon
- These core government responsibilities are vital to protecting consumers and allowing Oregon businesses to compete locally, nationally, and internationally



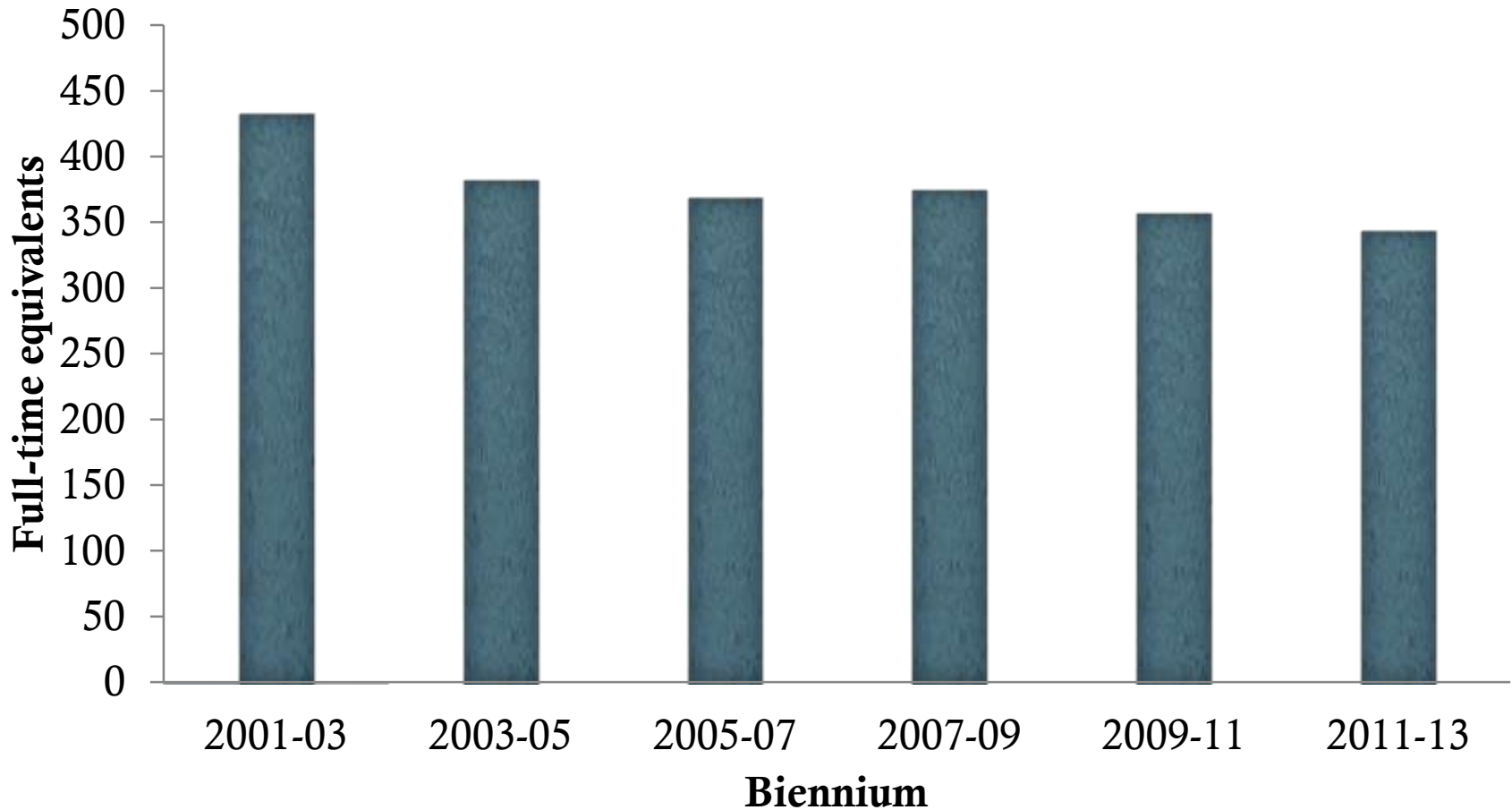
# Containing costs, improving delivery

- Sharing services between programs – for example, Food Safety and Measurement Standards pilot project
- Shared services between agencies – payroll, HR, auditor; cooperative agreements with ODA & OHA
- Statute and administrative rule cleanups
- Reorganizing to meet management to staff ratio requirements in HB 2020 and 4131

# Major agency changes in past 10 years

- Greater public interest in agriculture
- Increased cooperation and sharing of resources
- More challenging, interdisciplinary problems
- Increase in fee-for-service certifications
- Ag water quality plan implementation
- Expansion of local AND international marketing
- Budget challenges
- Strategies to keep up with statewide programs' workload

# Staff reductions over past 10 years



# Major agency changes in past 10 years – new programs

- Renewable fuel standards
- Specialty crop program
- Farm to school program
- Energy program (2007-2011)
- Water quality monitoring
- Wolf compensation program
- Oregon Invasive Species Council
- Cooperative Weed Management Areas





# Where we are going

Governor's recommended budget  
Major budgetary issues including caseloads  
Further plans for improving program delivery

# Governor's Recommended Budget

	2009-2011 LAB	2011-2013 LAB	2013-2015 GRB
General fund	\$14,264,994	\$12,917,172	\$18,685,836
Lottery fund	\$10,144,720	\$6,894,457	\$5,820,238
Other funds	\$49,174,448	\$52,099,191	\$53,360,846
Federal funds	\$12,287,361	\$11,944,869	\$15,148,657
Total funds	\$85,871,523	\$83,855,689.00	\$93,015,577
Full-time equivalent (FTE)	357.02	343.29	349.02

# Top 5 budget issues going into 2013-2015

- Declining Lottery Fund revenue impact on programs that were historically funded with General Fund but shifted to Lottery Funds to meet General Fund shortfall
- Potential reduction in federal grant opportunities which support core programs
- Continued heavy reliance on Other Funds and potential impact on fees
- Complexity of issues have increased legal costs and driven up program costs to meet demands of public records requests and time spent on investigations, outreach, and laboratory analysis
- Ability to recruit and retain skilled positions given uncertainty over last several years of budget deficits

# Major 2013-2015 Budgetary Issues - Enhancements

- Wolf Compensation and Assistance\*
- Pesticide Stewardship Monitoring
- Ag Water Quality Effectiveness\*
- Ag Water Quantity

\*Maintains current funding level

# Major 2013-2015 Budgetary Issues - Reductions

- Weed program - \$520,000 M76 Lottery Funds shortfall
- T & E plant program – requesting shift to mix of Other Fund/Federal Fund support
- Insect Pest Prevention & Management (requesting shift to General Fund support)

# Major 2013-2015 Budgetary Issues - Caseloads

- Insect pest infestations – Japanese beetle
- Implementation of new Food Safety Modernization Act
- Focusing water quality programs' work more strategically
- Implementation of Integrated Water Resources Strategy
- Biofuels and electric charging stations

# Additional plans to improve program delivery

- More strategic implementation of water quality and quantity programs in partnership with other natural resource agencies and partners
- Concern about toxic pollutants will mean increased monitoring to better understand impacts and ensure public confidence in the use of crop protection tools



# Additional plans to improve program delivery

- Increased use of biological and Integrated Pest Management tools to protect the environment
- Remote controlled traps reduce field staff cost and mean more timely detection of invasive insects
- New inspection & certification techniques for nursery and Christmas trees mean lower costs for growers





# Additional plans to improve program delivery

- The federal Food Safety Modernization Act (FSMA) will have significant impacts on food inspection and testing from farm to fork – ODA's food safety program is well positioned through its work on FDA pilot programs
- Public expectations of safe food products will be balanced against budget and inspection/testing capacity realities
- ODA programs will increasingly draw upon “Systems” based and private sector inspection protocols along with enhanced monitoring technology
- Increased investment in program capacity will be needed to meet public expectations



# Conclusion

- Programs support economic growth by boosting local, domestic and international markets and market access
- Programs protect consumers and natural resources
- Coordination and resource sharing with other agencies, states, organizations and private sector is ongoing, and more is planned
- Budget enhancements address needs/issues identified in a variety of plans and reports
- Long-term stable funding will help achieve performance targets

# Thank You !

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