



**OREGON
ASSOCIATION OF
NURSERIES**

**Testimony before the Committee on Ways and Means
Natural Resources Subcommittee**

House Bill 5502

**By Elizabeth Remley, Government Affairs Representative
Oregon Association of Nurseries
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Co-Chairs Senator Edwards, Representative Unger and members of the Committee, I am Elizabeth Remley, representing the Oregon Association of Nurseries (OAN). I appreciate this opportunity to voice the nursery and greenhouse industry's support for the 2013-15 Oregon Department of Agriculture (ODA) budget.

Oregon nursery industry background

The nursery and greenhouse industry is the state's largest agricultural sector. Oregon's nursery growers ship their products throughout the country, with over half reaching markets east of the Mississippi River. Nursery association members represent wholesale and Christmas tree growers, retailers and greenhouse operations.

Oregon Department of Agriculture sets an example for the nation

In comparison to our peer associations in other states throughout the nation, the relationship between the nursery and greenhouse industry and the ODA is unusually positive and beneficial. We feel so strongly about the strategic partnership between the industry and its regulatory agency that nursery members have agreed to pay significant license fees under ODA's nursery inspection program – with some nurseries paying close to \$20,000 in license fees annually. Without a license, industry members cannot grow, buy and sell commercial quantities of nursery and greenhouse plants.

In combination with Christmas tree program license revenue, industry assessments support ODA staff and inspectors who work to safeguard against the movement of harmful pest and diseases, assist with industry compliance with state and federal phytosanitary regulations and facilitate out-of-state shipments of more than \$500 million worth of plant material annually. The industry has consistently supported the license fee to ensure a strong, credible inspection program at ODA. We cannot stress enough how crucial it is that the Legislature protect and preserve the intended use of industry assessments that fund very specific programs of regulation to ensure industry's continued trust and confidence in the current system. These dedicated funds help support a critically important traded sector of Oregon's economy, which returns significant income to Oregon every year.

Unfortunately, our industry cannot support through fees the entirety of the many programs and services operating at ODA that contribute to a strong, healthy and vital agricultural economy. Many programs and services are justifiably funded by general revenue and lottery dollars. **We oppose sweeping of shifting funds of fee-based accounts** – especially when the entirety of the natural resource agencies account for 1% of the general fund budget. No amount of penny pinching here will make up for a shortfall, and we commend Governor Kitzhaber’s support of this agency and others that support natural resource industries that amass 37% of the state’s annual domestic product.

ODA helps with foreign and domestic markets

ODA’s international market development efforts deliver crucial support for nursery trade initiatives -- culminating in market opportunities in Japan and China for Oregon nursery stock. This effort has resulted in real dollars returning to Oregon’s shores – Oregon growers have sold over \$30 million in the last decade.

However the most striking example of economic impact to the nursery and greenhouse industry is through ODA’s effort on pest and disease. ODA staff has earned a national reputation among state plant health officials for their leadership and effectiveness.

OAN supports ODA Policy Option Packages

The OAN offers strong support for the following specific ODA programs, in no particular order:

1. **Water Quality Monitoring**: This program is an essential tool to help nurseries comply with water quality standards. Federal funds will go away for this program, and OAN encourages you to allocate state funds to allow this program to continue at its current level.
2. **Pesticide Stewardship**: As previously mentioned, this program is an important tool for nurseries, and OAN encourages you to continue to fund this with a 50/50 split in fees and matching General Fund. This funding structure is an important feature because it is viewed by the agriculture industry as a fair and balanced approach to funding the program.
3. **Water Quantity Specialists**: The OAN is very supportive of comprehensive water policy in Oregon that seeks to balance conservation, quality and supply needs. The ODA’s Water Quantity Specialists help advance the state’s integrated water management plan.

Conclusion

The nursery and greenhouse industry has many challenges in front of it. Fortunately those challenges do not include a difficult relationship with ODA. To the contrary, without Director Coba and her staff, the Oregon nursery industry would be a fraction of what it is today. The OAN stands side-by-side with other key natural resource organizations to urge your continued support for adequate ODA funding and to implore you to protect and preserve the fee revenue accounts and programs that our industry has funded and that we depend on to ensure our continued competitiveness in the national and international marketplace.

Thank you for your time and attention.