



**Testimony before the Senate Environment and Natural Resources Committee
Senate Bill 256 – relating to license and certification standards for nursery stock**

By Jeff Stone, Executive Director
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Chairman Edwards, Vice-Chair Olsen, members of the committee, my name is Jeff Stone and I serve as the Executive Director of the Oregon Association of Nurseries. I am pleased to lend the nursery and greenhouse industry's support to Senate Bill 256, a bill written in collaboration with the Oregon Department of Agriculture to update the nursery statute to ensure that the license and inspection program, which we depend upon to ship clean plant material, remains viable and effective.

The Economic Footprint of the Nursery and Greenhouse Industry

The nursery and greenhouse industry is the state's largest agricultural sector, and is finally seeing a resurgence following years of significant economic declines during and after the great recession. Oregon's nursery industry ranks third in the nation, with over \$766 million in sales annually to customers in Oregon, the rest of the United States, and abroad. In fact, nearly 75% of the nursery stock grown in our state leaves our borders – with over half reaching markets east of the Mississippi River. We send ecologically friendly green products out of the state, and bring traded sector dollars back to Oregon.

Nursery association members represent wholesale plant growers, Christmas tree growers, retailers, and greenhouse operators. Our members are located throughout the state, with our largest nursery growing operations found in Clackamas, Marion, Washington, Yamhill and Multnomah Counties.

Why a successful license and inspection program is critical for Oregon

The Oregon Department of Agriculture nursery license and inspection program is nationally respected and is a model for federal policy. The members of the nursery and greenhouse industry pay for the program through our license fees and we have made the strenuous case of the years that these dollars have been raised to keep markets open, our

plants disease free, and allow a constructive relationship between regulator and business to be established.

This relationship has been fruitful and has created a national model for safe procurement and production methods through a “systems approach.” It is important for the committee to understand the critical role the ODA and the nursery industry has to ship plant material all over the world.

Using a systems approach as the basis for regulatory policy is a two-fold proposition consisting of: 1) Enabling nurseries to develop and implement a system(s) to prevent the introduction of pests and diseases onto the nursery, with a reliance on regular monitoring for pests and diseases, and require quick and effective responses when problems are found; and 2) Marrying these systems of nursery production, which have a significant recordkeeping component, with programs of regulation, inspection and certification. The premise behind the systems approach is that scarce industry and regulatory resources are best focused on promoting and regulating sound systems of production, rather than chasing pest and disease problems through programs of end-point inspection

Federal regulators take the clean shipment of plant material very seriously, and so do the ODA and the OAN. In 2012, after more than a year of OAN leaders and lobbyists urging US Department of Agriculture’s Animal and Plant Health Inspection Service (APHIS) to reconsider an unworkable rule related to interstate shipment of Oregon plant materials, USDA reversed course and no longer required pre-notification before shipping clean plant materials across state lines. APHIS enacted federal rules to do what the ODA already does in cooperation with the nursery industry, and focused their scarce resources on enhancing and supporting Best Management Practices, remediation efforts for positive pest and disease testing nurseries, and pre-notification requirements for positive testing operations. The West Coast had been operating under a federal order of interstate movement of nursery stock since March 2011, under which the five most high-risk genera for *P ramorum* (or Sudden Oak Death) were regulated. While Sudden Oak Death was the catalyst for the discussion between states and federal policy makers, the ODA model of inspection and certification paved the way for a new paradigm for disease mitigation.

Nurseries, if they test positive for a plant disease, may now work with USDA and the ODA instead of being on a perpetual list of suspicion. If a nursery becomes symptom free for three years, they will be certified and will no longer be subject to the notice requirement for interstate shipments.

Most – 98% – of Oregon’s nurseries do it right. They ship clean plants. However, climate condition changes over the years have increased the threats of pest and disease. Without the stellar license and inspection program at the ODA, it is a certainty that the nursery industry would have decimated by state’s erecting trade barriers to capture Oregon’s market.

The Nursery statute needs to be updated

The Oregon Department of Agriculture does an outstanding job of explaining the background and proposal of the nursery statute changes necessary in SB 256 in their testimony dated March 11th. The OAN created a Plant Pest and Disease Emergency Response Fund in 2005, which allows the ODA to provide assistance in a time of dire need and provide rapid response to an unforeseen pest or disease that could potentially shut down a market.

The nursery license and certification program is authorized in statute and has been adopted in rule. Our members understand the need for a license based on a millage assessed on their gross annual sales and many of my members have reached their statutory limit. They also understand that the cost of a program will increase with inflation and we support annual increases in the license fees. While nursery operators are not fond of paying more in fees, they do insist that the ODA nursery program remain fully operational and effective.

Passage of this nursery statute does not increase our fees directly, and we have committed to work with the ODA on rulemaking to ensure that the program is adequately managed and funded. OAN encourages the Dept. of Agriculture to work with the nursery industry to make frequent updates to the licensing fee schedule. Our nursery members want the budgeting consistency and certainty that comes with more frequent increases in fees – rather than one big increase every ten years. While SB 256 does not specifically refer to annual increases, OAN is looking forward to working with ODA to establish a regular schedule for fee adjustments.

A key component of this bill, and OAN wants to be very clear about our intent, is to authorize the ODA to revoke shipping permits of nursery operators that have willfully and negligently ignored federal and state standards. Regulators in other states and at USDA-APHIS need to be assured that every nursery operator, regardless of which state they reside in, must adhere to the minimum standards.

Amendments will be crafted

There is still work to do. Like most bills, SB 256 isn't perfect. OAN and the Dept. of Agriculture have agreed to the following amendments:

1. Amend Section 2 (3) (b) and increase from \$25,000 to \$40,000 and a millage rate of 5 to 10 mills.

This amendment will provide flexibility for the ODA to gradually raise the maximum limit for license fees and millage to pay for the level of service being utilized by the nursery industry and last for a decade.

2. Amend Section 1: After (2)(b), insert: “The department may establish an expedited permitting process for use by a nursery that meets any state certification standards adopted under ORS 571.015 and that participates, to the satisfaction of

the department, in one or more external certification programs monitored by the department under Section 2 of this 2015 Act.”

This amendment authorizes the issuance of permitting and gives the remaining certification efforts underway at the federal level the ability to be considered by the department by rule. Nurseries have an opportunity to take on additional voluntary administrative activity through programs such as US Nursery Certification Program and Grower Assisted Inspection Program. Those that take additional voluntary measures to ship clean nursery stock should have access to expedited permits.

Support SB 256

The Oregon Association of Nurseries encourages you to support Senate Bill 256 as a signal of your continuing commitment to our traded sector industry and support reasoned and conservative funding for the Oregon Department of Agriculture’s nursery program and secure our future in Oregon.