

Oregon Department of Agriculture 2021-23 Budget Presentation

April 14-21, 2021

*Joint Committee on Ways and Means
Subcommittee on Natural Resources*

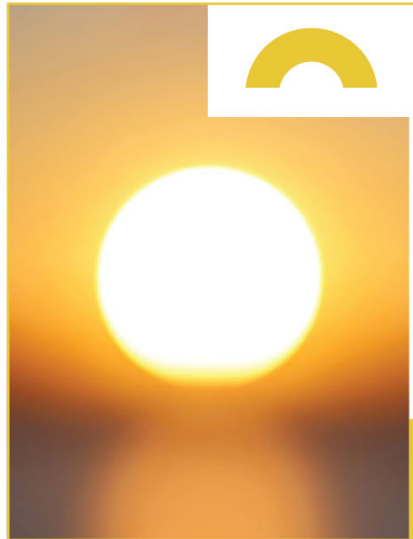


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New Department Logo




New Symbol Meaning



Sun

As the most important source of energy for life on Earth, the sun in our logo represents hope and optimism as we move into our future—both as an organization and as a people.

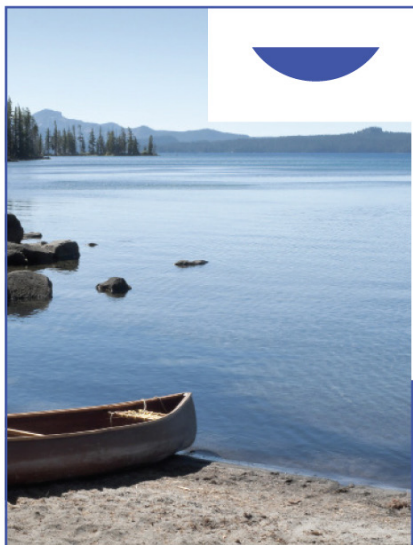
Yellow represents: eastern Oregon, fields of wheat, sun



Leaves

The green leaves depict growth, longevity, hope, renewal, and rebirth.


Green represents: the fertile Willamette Valley, growth



Water

The water is pure, energizing and a continuous cycle. It is tied to transformation, motion and life.

Blue represents: Oregon's open waters, fishing, rivers, lakes, rain



Circle

These elements come together to form a circle. This represents the "O" in Oregon, our planet, wholeness, the infinite, eternity, timelessness.

This circle reinforces the logo, our state and used as a brand element.



“ *Protect. Promote. Prosper.*

**Ensure healthy natural resources,
environment, and economy for
Oregonians now and in the future through
inspection and certification, regulation,
and promotion of agriculture and food.**

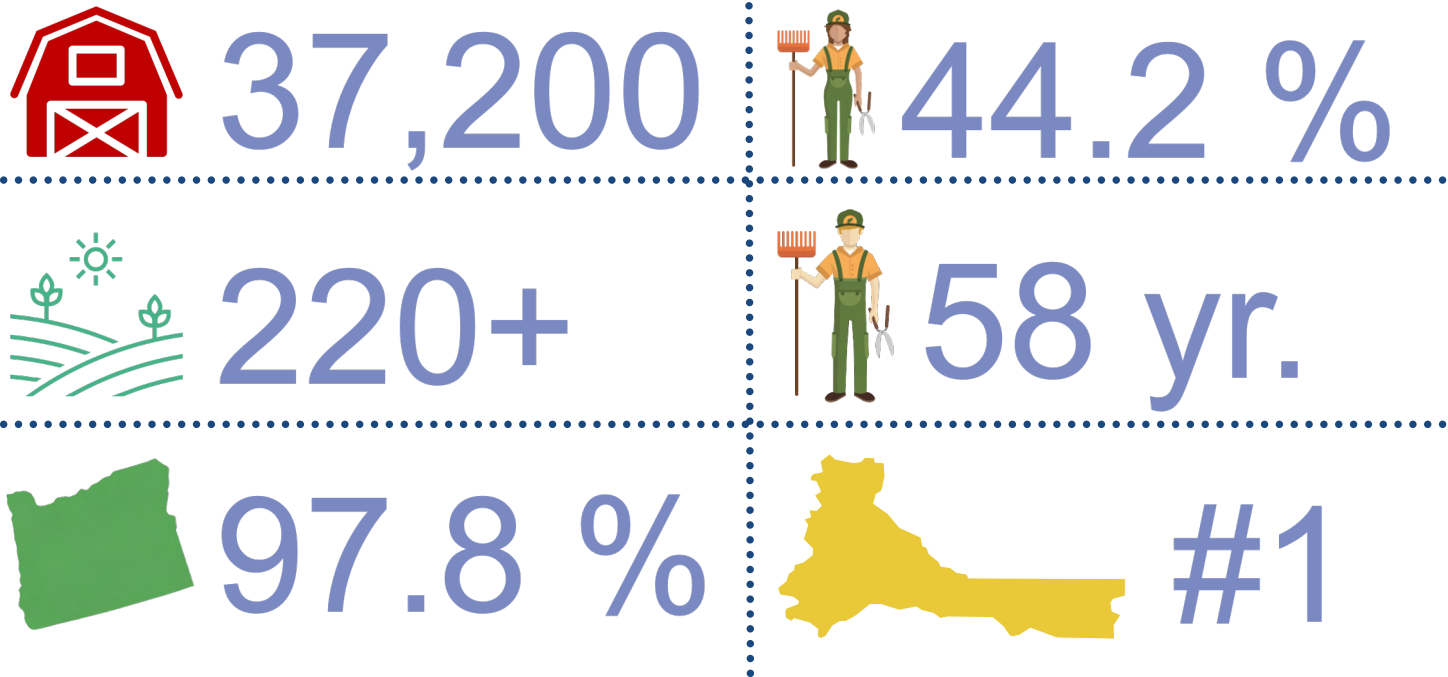
Mission statement



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Oregon Agriculture

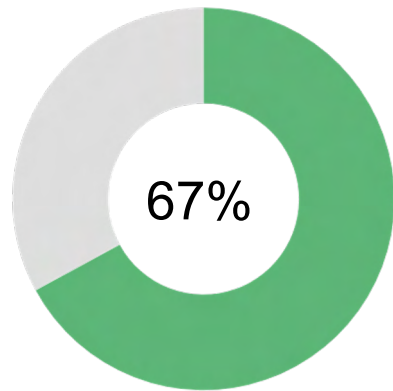
Oregon Farms



www.oda.direct/agstats

Oregon Agriculture

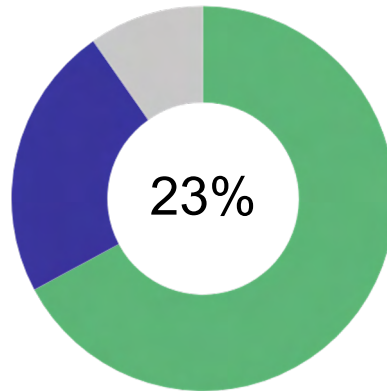
Oregon Farms



1 - 49 acres



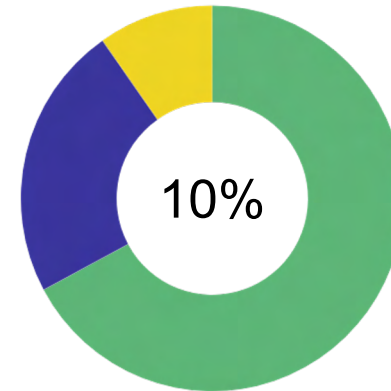
24,924 farms



50 - 499 acres



8,556 farms



500+ acres



3,720 farms



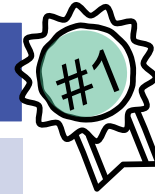
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Oregon Agriculture

Top 20 Commodities



#1 in Production



- Hazelnuts
- Christmas Trees
- Rhubarb
- Potted florist azaleas
- Dungeness Crab
- Crimson Clover Seed
- Orchard grass Seed
- Fescue Seed
- Ryegrass Seed
- Red Clover Seed
- Sugar beet Seed
- White Clover Seed



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Oregon Agriculture

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\$2 Billion in Exports

Oregon exports over \$2 billion in value each year of ag products



\$4.6 Billion in Expenses

Oregon agriculture spends \$4.6 billion on total expense of production



\$19,757 Average Income

Oregon agriculture producers experienced a 14% decline in net income since 2012



86,240 Employed

30% of Oregon farms hire labor outside of owner/operator



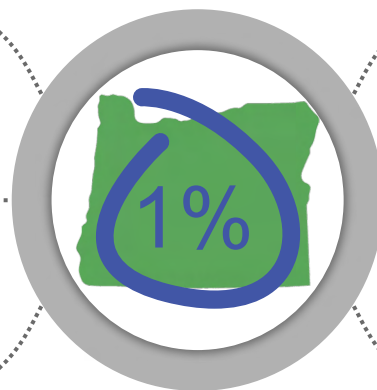
\$237 Million Certified Organic Sales

2% of Oregon farms are certified organic



15% Farms Sell Direct

CSA, farm stands, farmers markets support 15% of all Oregon farms



2017 Agriculture Census Data



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Agency Budget Overview

Protect. Promote. Prosper.



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ODA in 2020: COVID-19

- COVID-19 Response Playbooks
- FSFS Program
- KN95 Mask Distribution
- Market Support
- Customer Service



ODA in 2020: Wildfires

- Animal Evacuation Shelters
- State Veterinarian/USDA
- N95 Mask Distribution
- Recovery Efforts





Feb - April

- Responded to eastern Oregon floods to secure USDA assistance
- Staffed the ECC for initial COVID response and provided staff support
- Initiated COOP, telework, and COVID response in agency
- Began larger COVID response efforts with OSHA ag rules, playbooks, and guidance



May - July

- Implemented the \$16m FSFS Program for farmers and ranchers
- Distribution of 1 million KN95 masks
- Conducted COVID-19 consultations on farms and in food processing facilities
- Continued to work remotely, virtual inspections, supported staff at home



Aug - Oct

- Responded to wildfires across the state by supporting animal rescue shelters
- Distributed 250k masks for smoke protection
- Assisted Washington's response to Asian Giant hornet
- During special legislative sessions ODA adjusted budgets and began work on a state meat inspection program
- Ongoing support to the ag community



Nov - Dec

- Concluded the FSFS Program
- Distributed 3 million KN95 masks to farmers, ranchers, and food processors
- Reorganized the agency and staff to respond to budget constraints
- Continued to work remotely, virtual inspections, supported staff at home



ODA in 2020

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440 COVID-19 Consultations

Food Safety staff worked with food processors and farmers to implement workplace mitigation



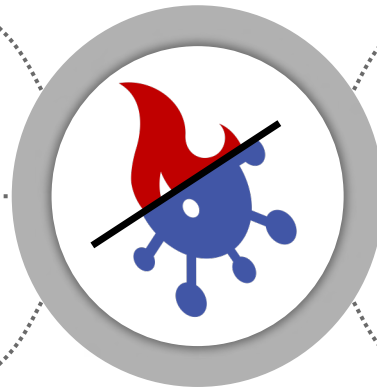
5,000+ Animals Safely Sheltered

Across 39 animal shelters, farm animals, horses, and pets were safely sheltered during the wildfires



21,000+ farmworkers

The FSFS program supported implementing on farm COVID-19 mitigation measures



~80% Decline in Travel

Out-of-state travel ceased overnight while in-state travel was restricted



78% Telework

Staff relocated from the office to homes following the Stay Home Stay Safe orders



\$1.97M Reimbursed

Reimbursements offset some direct costs, does not capture delayed or lost work activity



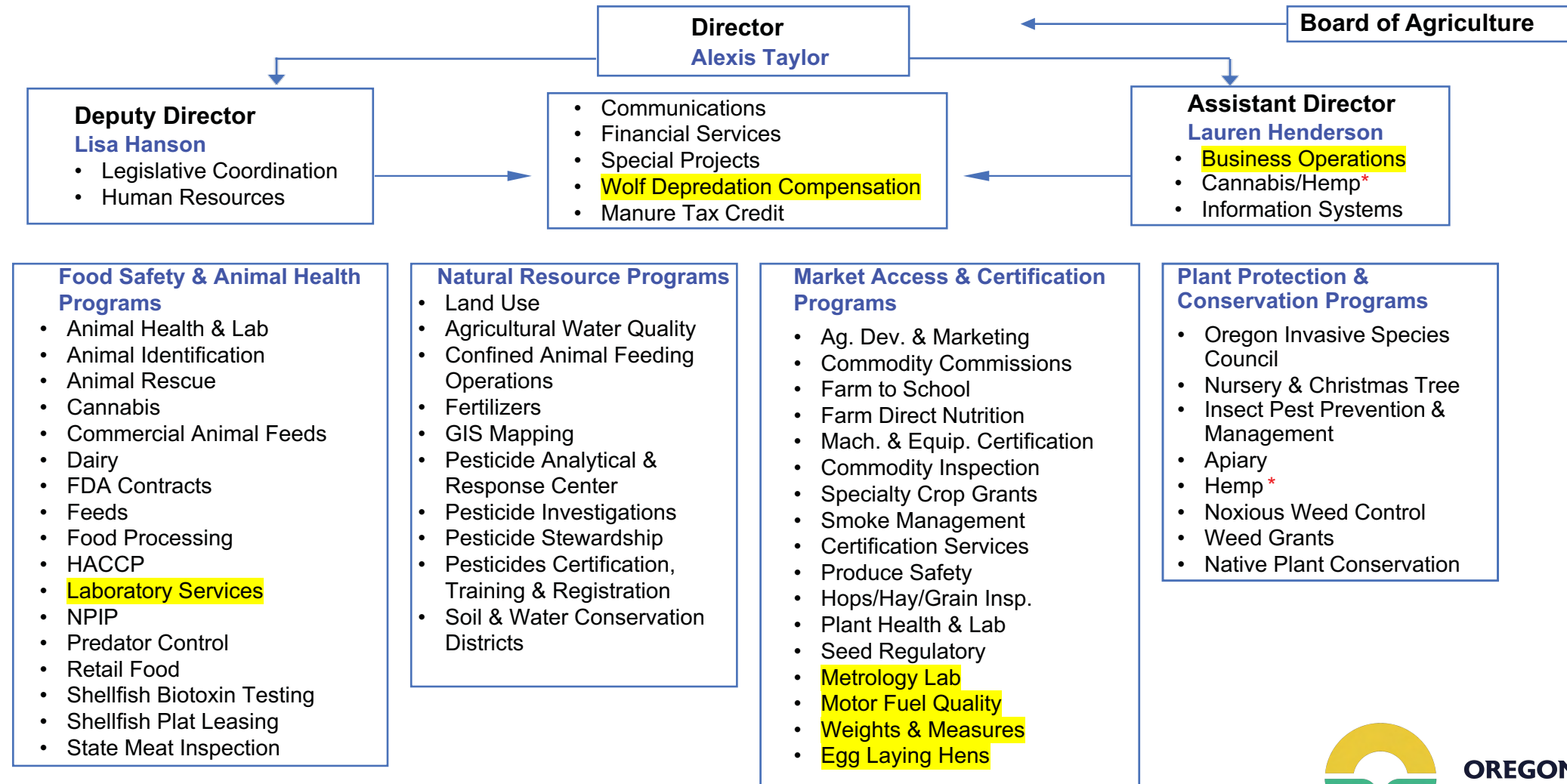
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Agency Budget Actions



- Cross-agency support
- Virtual meetings/inspections
- Relocated marketing staff
- Vacancies savings
- Agency reorganization

Organizational Structure (2021)



2021-23 Governor's Budget

| | 2019-21 Legislatively Approved Budget | 2021-23 Current Service Level | 2021-23 Governor's Budget |
|-----------------------------|---------------------------------------|-------------------------------|---------------------------|
| General Fund | \$24,535,085 | \$26,580,755 | \$26,998,831 |
| Lottery Funds | \$10,866,818 | \$8,554,981 | \$8,837,118 |
| Other Funds | \$78,590,027 | \$81,162,267 | \$80,246,238 |
| Federal Funds | \$17,797,207 | \$16,664,830 | \$17,389,246 |
| Total Funds | \$131,789,137 | \$132,962,833 | \$133,471,433 |
| Positions | 514 | 484 | 501 |
| Full-Time Equivalent | 385.36 | 368.09 | 381.60 |



2021-23 GB Funding Sources



General Fund

Funds appropriated by the State of Oregon



Lottery Funds

M76 - IPPM, Water Quality, SWCDs, Weed & Invasive Species



Other Funds

\$60.7M from licenses, registrations, and fees charged for services



Federal Funds

Shared programs with EPA, FDA, USDA, BLM, USFW



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Significant Changes

Pkg 090 Analyst Adjustments

Total budget reduction (\$2,837,301)

- (\$1,821,050) GF
- (\$1,284,528) LF
- \$575,921 OF
- (\$307,644) FF

Fee Changes

- Pkg 220 – Food Safety Fee Increase
- Pkg 250 – Livestock ID Fee Increase
- Pkg 260 – Commercial Feeds Fee Increase
- Pkg 440 – Certification Fee Ratification



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Significant Changes



Budget Additions

- Total Budget Additions \$2,407,998
 - \$2,186,446 GF
 - \$221,453 OF

Budget Enhancements

- Pkg 110 – Emergency Management Coordinator
- Pkg 130 – Agency Equity Officer
- Pkg 140 – Internal Auditor
- Pkg 370 – Baseline Soil Health Assessment
- Pkg 430 – Developing Domestic Markets
- Pkg 090 - Diversity in Agriculture Grants



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ODA Program Areas



Food Safety &
Animal Health



Natural Resources
Programs



Market Access
& Certification



Plant Protection
& Conservation



Administrative
Services



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Food Safety and Animal Health



✓ Food Safety Program

To prevent foodborne illness we inspect, educate, and enforce Oregon's food safety and sanitation laws. *State Meat Inspection

✓ Animal Health

To promote and protect Oregon's livestock we control diseases, prevent theft, support predator control, and ensure animal feed is safe.

✓ Lab Services

Internationally and nationally accredited labs to support agriculture and other local, state, and federal agencies.



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Food Safety and Animal Health

21-23 GB Changes

Pkg 090 (\$877,051)

- Elimination of 3 positions in food safety (GF/OF)

Fee Increases (OF)

- Pkg 220 Food Safety
- Pkg 250 Livestock ID
- Pkg 260 Commercial Feeds

Pkg 084 \$926,195 (GF)

- State Meat Inspection continuation from 1st Special Session

Pkg 280 \$161,778 (FF)

- Avian Influenza Position



2021 Program Fee Bills

| Fee Bill | Description | Examples |
|---|--|---|
| Food Safety Fee SB 33 & Pkg 220 | <p>Since 2017 the program is supported by 75% OF and 25% GF.</p> <p>A 30% fee increase is proposed to sustain current service levels of the program.</p> | <p>The bill allows the department to balance a new fee increase, the reoccurring 3% fee increase, and other budget drivers to determine the exact percent needed.</p> |
| Livestock ID (Brands) SB 32 & Pkg 250 | <p>Increase the statutory fee caps for the brands program to allow a fee schedule to be established by rule.</p> | <p>As amended the "per head" fee cap increases from \$1.00 to \$1.35, and the service fee increases from \$25 to \$35.</p> |
| Commercial Feeds Fee SB 36 & Pkg 260 | <p>Increase the statutory fee caps for the commercial feeds program to allow a fee schedule to be established by rule.</p> | <p>Oregon feed manufactures annual fee cap increase from \$500 to \$1,000</p> <p>Feed companies' annual product fee cap increases \$20 to \$60 per product</p> |



Natural Resource Program Area



✓ Water Quality

Compliance to prevent pollution and soil erosion from agricultural activities and partnerships to help working lands achieve water quality goals

✓ Agriculture & Consumer Products

Regulate and educate on the sale and use of pesticides, fertilizers, and soil amendments to support the safe and effective agriculture production.

✓ Natural Resource Protection

Incorporate Oregon's land use laws, CAFO laws, and Right to Farm laws to sustain natural resources for future generations.



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Natural Resource Program Area

21-23 GB Changes

Pkg 090 (\$1,255,904)

- Elimination of a CAFO position (GF)
- Elimination of two water quality positions (GF/LF)
- Elimination of a SWCD position (LF)
- Reduction in S&S/fund shifts/vacancies (GF/LF)

Pkg 370 \$225,000 (GF)

- Baseline Soil Health Assessment

Pkg 320 \$229,935 (OF)

- Worker Protection Standard Position

Pkg 360 \$75,000 (GF)

- Klamath Water Quality Work



Market Access and Certification



✓ Market Access

Connecting buyers and sellers of Oregon products in domestic and international markets. Coordinate local opportunities with schools to international trade missions.

✓ Certification & Inspection

Facilitate successful market activity by ensuring certification standards, grades, size, and quality measures are met.

✓ Weights and Measures/Motor Fuels

Inspect and calibrate scales and meters in Oregon to protect the consumer and promote fair market practices. ODA also protects fuel consumers from faulty or false sales of fuels.



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Market Access and Certification

21-23 GB Changes

Pkg 090 (\$459,937)*

- Elimination of FIC rent (GF)
- Elimination of one position (GF)
- *Adds Diversity in Agriculture Grant \$1,000,000 (GF)

Pkg 430 \$430,000 (GF)

- Developing Domestic Markets

Pkg 450 \$1,400,000 (FF)

- Food Safety and Modernization Act



Plant Protection and Conservation



- ✓ **Nursery and Christmas Tree, Hemp**

Promotes and protects the production of Oregon nursery stock and Christmas trees. ODA license growers for the legal production of hemp.

- ✓ **Pest Prevention & Noxious Weeds**

Protects Oregon's agriculture, horticulture, environment, and quality of life from damaging insect pests and plant pathogens.

- ✓ **Plant Conservation**

Promotes native plants and issues permits and conducts research projects to enhance protected plant species.



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Plant Protection and Conservation

21-23 GB Changes

Pkg 090 \$778,925 in Fund Shifts

- IPPM Staff (LF) to (FF)
- Portion of staff salaries (LF) to (OF)
- Noxious Weed staff to Hemp program (LF) to (OF)

Pkg 310 \$1,924,461 (LF)

- Japanese Beetle Eradication

Pkg 087 \$1,113,326 (OF)

- Hemp staff approved in 2nd Special Session

Pkg 395 \$1,010,300 (OF)

- Hemp staff for USDA requirements



Administrative Services



✓ Director's Office

Provides leadership, coordination, and communication across the agency and throughout Oregon's agricultural community.

✓ Board of Agriculture

A 10-member Governor appointed board composed of producers and public members to advise the department.

✓ Agency Support Services

Ensures technological, financial, human resource, and facility operations support the success of the staff at ODA.



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Administrative Services

21-23 GB Changes

Pkg 090 (\$244,409)

- Elimination of Farm Mediation (GF)
- Elimination of a procurement position (GF)

Pkg 110 \$229,770 (GF)

- Emergency Management Coordinator

Pkg 130 \$256,319 (GF)

- Agency Equity Officer

Pkg 140 \$266,810 (GF/OF)

- Internal Auditor



“

**“We are tasked with a higher duty,
our tomorrow...we take a wider lens
to safeguard our clean water,
fertile soil, and ripe abundance for
generations to come.”**

Excerpt from the ODA manifesto



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Key Performance Measures



KPM # 4 Noxious Weed Control – Incomplete Data

- Due to the uncertainty in lottery funds, 2020 work was limited to federally funded projects.

KPM # 6 Pesticide Investigations – Above Target

- Focus shifted to clearing cases from 2019 and taking final enforcement actions in 2020.

KPM # 8 Trade Activity – Below Target

- Due to COVID-19, 17 planned trade activities were cancelled.

KPM # 9 Ag Employment – Exceeded Target

- ADMP has been improving its methodology to calculate this KPM.

KPM # 11 Smoke Management – Above Target

- On August 18th, a weather anomaly after burning returned the evacuated smoke to the area.

10% Reduction Option List

First 5% - \$1.5M General Fund

- Vacancy Savings of a procurement position (\$141,669) GF*
- Elimination of a CAFO position (\$256,949) GF*
- Elimination of the Pesticide Stewardship Partnership Program (\$1,120,680) GF / (\$1,120,680) OF
Total (\$2,241,360)

*included in Governor's Budget as permanent reduction

10% Reduction Option List

Second 5% - \$1.2M General Fund

- One-time shift duties from Marketing functions to Produce Safety and Certifications (\$71,382) GF / \$35,691 OF / \$35,558 FF / Total (\$133)
- Vacancy savings of a Natural Resources program position* (\$157,157) GF
- One-time fund shift in the Shellfish Program (\$41,785) GF / \$41,785 OF
- Hold a PEM C Manager in Food Safety vacant** (\$75,067 GF) / (\$169,326) OF Total (\$244,393)
- One-time fund shift to Federal Funds in the Animal Health Program (\$25,000) GF / \$25,000 FF
- Eliminate rent at the Food Innovation Center (FIC) for the Marketing program* (\$250,000) GF
- One-time fund shift portion of Plant Program Area Director to Other Funds (\$70,633) GF / \$70,633 OF

*included in Governor's Budget

**included in Governor's Budget as permanent reduction



10% Reduction Option List

Second 5% - \$1.2M GF Cont.

- One-time fund shift portion of Plant Program Area Office Manager to Other Funds
(\$35,677) GF / \$35,677 OF
- Eliminate streamside vegetation and stream temperature monitoring being conducted by local partners*
(\$79,246) GF

*included in Governor's Budget

** Included in Governor's budget as a permanent reduction

- Eliminates funding for water quality monitoring at 19 agricultural sites
(\$228,910) GF
- Hold vacant the Food Safety Animal Health ID Program area Office Manager position** (\$57,112) GF/(\$190,233) OF / Total (\$247,345)
- Hold vacant the Dairy Program Manager position** (\$117,687) GF/(\$267,446) OF Total (\$385,133)



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10% Reduction Option List

First 5% - \$391k Lottery Funds

- One-time reduction of a position in the SWCD Program** (\$202,634) LF
- One-time reduction of a position in the Ag Water Quality Program** (\$188,009) LF

Second 5% - \$465k Lottery Funds

- One-time shift staff in the Noxious Weed Control program onto Other Funds in the Hemp program** (\$464,855) LF / \$464,855 OF

** Included in Governor's budget as a permanent reduction

2021 ODA Legislative Bills



- HB 2031 – Pesticide Certification & Training
- HB 2032 – Agricultural Channel Maintenance Fix
- HB 2033 – Emergency Veterinary Technicians

- SB 32 – Livestock ID (Brands) Fee
- SB 33 – Food Safety Fee
- SB 34 – *Aviation Jet Fuel Quality*
- SB 35 – *Oregon Hemp Program*
- SB 36 – Commercial Feeds Fee

2019 Legislative Highlights



HB 2437 – Agriculture Channel Maintenance

- Adopted permanent rules for implementation * HB 2032 (2021)

SB 883 – Animal Rescue Entity

- Statewide licensing and record keeping for AREs

HB 4206 (1st Special Session) – State Meat Inspection

- Convening multiple stakeholder groups to craft program
- Collaboration with USDA on timeline, training, and approval



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