



## Memo

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| Date:    | April 21, 2021   |
| To:      | Co-Chair Jeff Reardon, Co-Chair Kathleen Taylor, Committee Members Joint Committee on Ways and Means Subcommittee on Natural Resources |
| From:    | Alexis Taylor, Oregon Department of Agriculture  |
| Subject: | SB 5502 Budget Presentation Follow-up  |

Co-Chairs Taylor and Reardon and Members of the Committee:

This memo serves as ODA's written responses to questions raised by members of the Joint Committee on Ways and Means (JCWM) Subcommittee on Natural Resources on **Monday, April 19, 2021**. Questions and answers are organized by subject with supporting materials attached in order of subject.

### **Phytosanitary export requirements**

Starting at 21:10 on the recorded testimony, Rep. David Brock Smith requested an update on how changes to phytosanitary export requirements impacted the blueberry, cherry, and cranberry export market. The export market for blueberries has grown since the 2011 historic agreements allowing Oregon blueberry growers to export fresh berries directly to South Korean consumers with an estimated 2020 value of \$2.5 million. Two additional markets have recently become available – Vietnam in 2019 and the Philippines in 2020. Oregon blueberry sales to Vietnam and the Philippines in 2020 were an estimated \$327,000 and \$2,700, respectively. Initial sales to the Philippines were low in 2020 due to COVID-19 disruptions and strong U.S. demand.

Oregon exported an estimated \$17.1 million in cherries in 2020, an increase of 9 percent (9%) from the previous year. The leading markets were China, Taiwan, Japan, Vietnam, and Thailand.

Available records indicate an estimated \$80,000 in fresh and \$1.5 million in prepared cranberries were exported in 2020. In 2018, ODA led a trade mission to Oregon's largest cranberry export market, China, which included a cranberry grower from the South Coast. Exports of preserved cranberry to China declined by 90 percent (90%) in 2020 compared to 2017 due to the 2018-19 U.S-China trade dispute.

## Federal programs for BIPOC and climate policy

Starting at 46:40 on the recorded testimony, Rep. Khanh Pham asked about the Biden-Harris Administration and federal investments for BIPOC farmers and climate policy and how ODA can leverage the federal efforts. Follow-up items included information on the Farm to School Equipment and Infrastructure Grant (E&I Grant) projects and a letter to USDA Secretary Tom Vilsack (attached).

In 2019, the Oregon Legislature appropriated \$500,000 to the E&I Grant, which was reduced to \$250,000 during the 2<sup>nd</sup> Special Session. ODA received \$2.1 million in requested funds from 35 qualified applicants. Of the six projects selected for funding, five are growers and one is a processor. ODA applied the Governor's Equity Framework to choose five woman-owned/operated businesses and two BIPOC-owned businesses.

Additionally, ODA administers the USDA Specialty Crop Block Grants and an element of the award matrix is the application of the Governor's Equity Framework. For a list of awards and information, visit ODA's [SCBGP webpage](#).

ODA's Governor's Budget Pkg 370 invests \$225,000 in a baseline soil health assessment in partnership with Oregon State University to establish a foundational understanding of soil profiles and how to enhance the benefits of healthy soils. The Biden-Harris Administration identified addressing climate change as a top priority, therefore, having a comprehensive understanding of the health of Oregon's soil is an important step to ensure our producers can participate in any federal programs which may be developed in the future.

## PSU shellfish research

Starting at 56:40 on the recorded testimony, Rep. Paul Holvey asked about recent reporting of pesticides in shellfish found in coastal rivers/water bodies and if ODA was involved. Portland State University published the study that was referenced. ODA was one of the state agencies that participated on the advisory committee that provided feedback to PSU on the study. The Water Quality Pesticide Management Team (WQPMT), an interagency team that addresses pesticides in water in Oregon, includes: DEQ, OHA, OWEB, ODF, OSU, and ODA. The WQPMT generally agrees with the report's conclusions, including the fact that additional information is needed.

The pesticides detected in the PSU study came from non-point sources, meaning they cannot be attributed to a specific location or origin. Together with DEQ and ODF, ODA reviewed the list of pesticides detected and compared it with data gathered through the Pesticide Stewardship Partnership (PSP) from other watersheds monitored for pesticides from non-point sources. As indicated by the report, the pesticides found are not exclusive to forestry applications and may have originated from other applications or land uses.

The PSU study highlights the need for additional monitoring to help identify potential sources of pesticides detected in the study. The study identifies the need for further research and ODA has been invited to serve on an advisory committee to a new study that will examine the compounding impacts of contaminants, ocean acidification, and environmental stressors on aquatic organisms.

## Ag Water Quality monitoring sites

Starting at 56:40 on the recorded testimony, Rep. Paul Holvey asked about eliminating the water quality monitoring at 19 agriculture sites. This follow-up is to provide the approximate locations of those sites. As stated during the budget presentation, this data collection remains valuable and the reduction was proposed to attain ODA's General Fund reduction target. In developing the Ag Water Quality Program reductions, ODA prioritized retaining our experienced staff who conduct the program's on-the-ground compliance work with farmers and ranchers. This on-the-ground work directly leads to improvements in landscape conditions that contribute to good water quality.

The 19 agricultural sites are part of a more extensive network of 160 ambient water quality monitoring sites statewide monitored by the Oregon Department of Environmental Quality. Loss of funding for these 19 sites would result in a loss of some of the data used for the Ag Water Quality Program's key performance measures.

If this funding is lost, the program will use data from the other existing agricultural sites that DEQ monitors. Due to the lower number of agricultural sites used to calculate the program's KPMs, eliminating these sites would likely make our KPM data more variable from year to year. Poor conditions in one area of the state due to drought, severe storms, or other causes will have a more significant overall effect on the statewide aggregated data if there are fewer agricultural sites to evaluate.

The sites in the table below represent 19 agricultural sites in DEQ's network of 160 monitoring sites around the state. The 19 sites below are funded through ODA's budget.

| Management Area    | Site  |
|--------------------|---|
| Goose and Summer   | Thomas Creek at Stock Drive Road              |
| Hood River         | Neal Creek at Fir Mountain Road               |
| Inland Rogue       | Applegate River at Murphy                     |
| Klamath Headwaters | Sprague River at Sprague River Road           |
| Lower Deschutes    | Fifteen Mile Creek at Petersburg              |
| Lower John Day     | Rock Creek near mouth                         |
| Malheur            | Malheur R at Hwy 20                           |
| Malheur            | Willow Creek at Jamieson                      |
| Middle Deschutes   | Trout Creek downstream of Mud Springs Creek   |
| Middle Willamette  | Muddy Creek south of Corvallis at Airport Ave |
| Middle Willamette  | Luckiamute River at Buena Vista Road          |
| Owyhee             | Crooked Creek at Kiger Road                   |
| Owyhee             | Jordan Creek at mouth                         |
| South Santiam      | Calapooia River at Hwy 99E                    |
| Upper Willamette   | Mohawk R at Hill Rd                           |
| Upper Willamette   | Amazon Creek at High Pass Road                |
| Walla Walla        | Pine Creek at Hudson Bay Substation Road      |
| Willow Creek       | Rhea Creek at Bergevin Road or Morter Road    |
| Willow Creek       | Willow Creek at Rhea Road                     |

## Sudden Oak Death in Curry County

Starting at 1:25:55 on the recorded testimony, Rep. David Brock Smith asked for an update on Sudden Oak Death (SOD). Sudden oak death is caused by the exotic plant pathogen *Phytophthora ramorum* (*P. ramorum*). Timber harvested in the current quarantine area, which includes parts of Curry County, has to be inspected and found free of *P. ramorum* before moving outside the quarantine area. ODA issues the required permits. Recently, ODA received samples from OSU collected by the U.S. Forest Service at the northern border of our current SOD quarantine zone. One sampling site was very close to the border, across the Rogue River. ODA's Plant Health Laboratory identified a presumptive positive sample for the SOD pathogen, *P. ramorum*. The presumptive sample was submitted on April 19, 2021, to the USDA-APHIS laboratory in Beltsville, Maryland, for confirmation. The USFS is actively addressing the site by removing infected trees and by delimiting the area. Additional samples will be taken in a 3-mile radius around the presumptive positive sample.

## International Marketing Efforts

Starting at 1:35:00 on the recorded testimony, Sen. Lew Frederick asked for additional information on what the international footprint is for Oregon agriculture. As mentioned in the hearing, 90 percent (90%) of Oregon's agricultural exports go to markets in North America and Asia, primarily due to proximity and the seasonality of our products. In 2021, with our partners in WUSATA, there are 41 trade activities planned, including five in South Korea; four in Canada, Mexico, China, Taiwan, and SE Asia; two trips to the Middle East, and one to South Africa. Most of the activities in 2021 are or will be virtual.

These events are a pathway to help Oregon establish relationships with buyers that allow Oregon products to be enjoyed worldwide. To highlight the depth of Oregon's market access, in 2020, Oregon exported nursery stock and Christmas trees to 61 countries and issued 4,700 state and federal phytosanitary certificates. India and countries of the African continent are included in those 61 countries of export, per our discussion about access to those markets. Attached is an infographic of a visual of Oregon's major trading partners and export commodities.



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The Honorable Thomas J. Vilsack  
1400 Independence Ave., SW  
Washington, DC 20250

Secretary Vilsack,

Congratulations on your reappointment as Secretary of Agriculture. America's farmers are fortunate to have your leadership as agriculture struggles through the unknowns and hardships caused by weather extremes, multi-year trade disputes, and the COVID-19 pandemic.

As President Biden's Administration works to make historic progress at addressing climate change, the Oregon Department of Agriculture (ODA) asks the US Department of Agriculture (USDA) to identify and implement policies and programs to increase cover crop adoption across the United States. Increasing cover crop adoption has been recently identified as an important opportunity in a USDA Economic Research Service report, and is a key strategy to improving cropland health and addressing climate change.

As a leading seed producer, Oregon is interested in partnering with USDA to increase cover crop adoption. Among many seed varieties suited as cover crops, Oregon is the leading U.S. producer of numerous cover crop seeds, including crimson clover, fescue, ryegrass, red clover, white clover, radish, and beets.

As USDA works to help agriculture adapt to and mitigate a changing climate, ODA believes that a review of existing USDA incentive programs may result in improvements to ensure the resilience for farmers and the country's food supply in the face of climate extremes. Enclosed are some recommendations from the engagement of Oregon seed producers and their customers. ODA is interested in exploring modifications to existing programs and exploring new programs focused on increasing the use of cover crops.

A primary concern of Oregon seed producers is the availability of cover crop seeds. Oregon seed producers are making planting decisions now to meet demand for cover crop seeds in 2022. As USDA considers program changes or new or enhanced incentives, sufficient time for Oregon seed producers to plan to meet increased demand will be critical.

ODA plans to continue engaging locally and nationally on policy and program development to encourage cover crop adoption, increase soil health, and address climate change. We

appreciate USDA's engagement with us on this critical issue and look forward to continued collaboration.

Best regards,

A handwritten signature in black ink that reads "Alexis M. Taylor". The signature is fluid and cursive, with the first name "Alexis" being the most prominent.

Alexis M. Taylor, Director  
Oregon Department of Agriculture

cc: Robert Bonnie, USDA Deputy Chief of Staff and Climate Policy Advisor



## Addendum

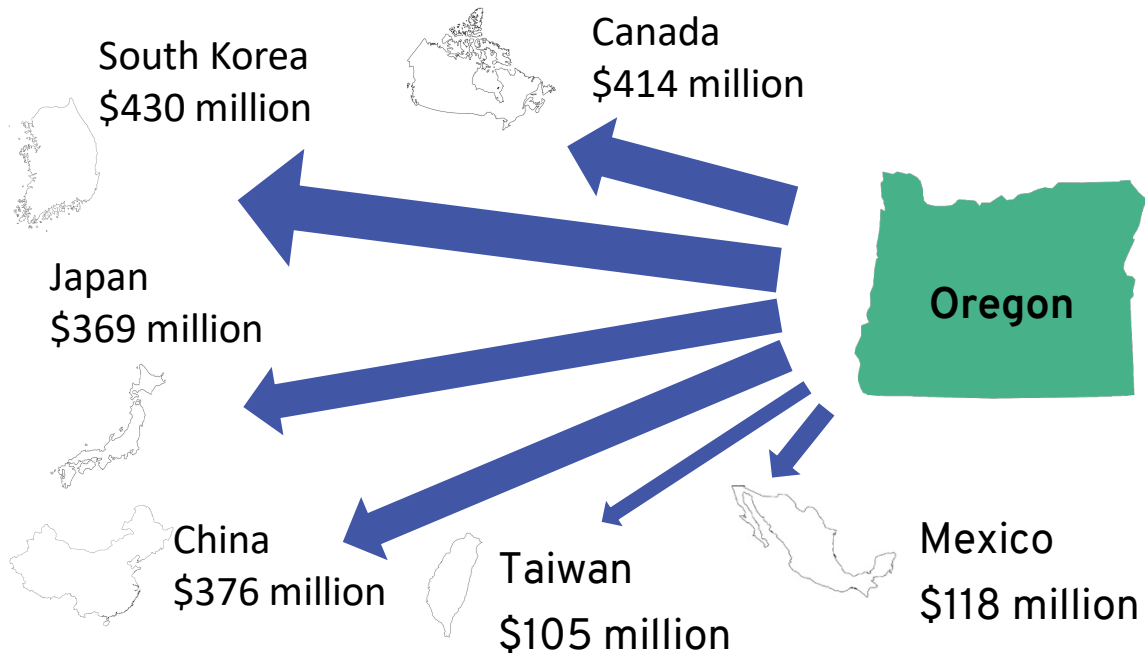
The following elements could expand long-term cover crop use through new and existing programs.

- **Promote consistency across county lines.** Farmers often work land that crosses county borders, and differences in incentive rates and requirements between counties complicate compliance with and reimbursement from programs administered by NRCS and FSA.
- **Offer incentives for longer durations.** Oregon has found that farmers don't experience the benefits of cover cropping that will result in long-term use until the fourth or fifth year from adoption.
- **Prioritize water quality and supply.** Cover crops can prevent erosion and nutrient runoff and promote water movement into the soil, recharging groundwater. Further, higher soil carbon levels increase soil moisture and soil nutrient retention, promote infiltration, and mitigate catastrophic runoff events.
- **Link incentives to production costs.** Because cover crops, when utilized correctly, are expected to improve crop resiliency to drought and increase productivity, Oregon believes an incentive reducing costs of products, such as insurance rates, can be an efficient and effective alternative to payments per acre planted with cover crops.
- **Allow cover cropping as a stand-alone practice for program eligibility purposes.** Farmers should have the option of adopting cover crops without a commitment to adopting additional enhancements.
- **Fund supports at land-grant universities and climate hubs.** Extension services are less available to counsel farmers in new practices as state budgets have reduced funding and the focus of activities has been steered to other work. Consider establishing a grant specific to cover crop research and extension to ensure appropriate cover crop practices as eligible for incentives.





Oregon exported **\$2.5 billion** in agriculture, beverages, and foods to **94** markets in 2020. **72%** went to the top 6 markets:



**Top Oregon agricultural exports in the top 6 markets:**

