



May 11, 2017

## Legislative Update for the Oregon Board of Agriculture Ivan Maluski, Policy Director

Director Taylor, Chair Brentano and members of the Board,

Thank you for the opportunity to provide testimony today. We've listed a number legislative proposals we've spent time on this session with an update on their status below. These include:

- **HB 2085** – creates a beginning farmer tax credit to encourage landowners to rent or lease land to beginning farmers; similar to programs in place in Nebraska and Iowa. The tax credit would assist with beginning farmer access to land by creating a new tax incentive for landowners to enter into multi-year leases with beginning farmers and ranchers. It would peg the tax credit at the value of 10% of rent payments, or 15% of the landowner's share of a crop share arrangement, with an additional 5% credit if the land is certified organic or transitional to organic. It could also be used for leases to family members if the lease arrangement is part of a formalized farm succession plan.  
**Status:** In the House Revenue Committee; no hearing to date. While still alive, the bill was not referred to a policy committee (ie House Agriculture). New tax credits do not seem to be on the table in a session in which major budget cuts may be necessary.
- **SB 197** – would create air emissions rules for dairies by 2019 consistent with the 2008 recommendations of Oregon's Dairy Air Quality Task Force - a combination of voluntary and regulatory measures, including monitoring, research and Extension funding - to 'reduce these air emissions and prevent future problems from arising.' The Task Force described the program it proposed as 'an optimal balance between the need to protect air quality and ensure the viability of Oregon's dairies.' However, the program was never created and the recent approval of a 30,000-cow dairy near Boardman with no requirements to monitor or mitigate ammonia or methane emissions continue has drawn significant legislative interest.  
**Status:** Public hearing held March 9 in the Senate Environment and Natural Resources Committee. No work session held by April 18 deadline, rendering SB 197 dead. However, the Senate Environment Committee Chair is forming a work group to address air quality issues in the Columbia Gorge associated with a growing number of large dairy operations. Related to SB 197, proposals to reform the manure digester tax credit have emerged. These have included: setting caps to ensure cost containment, limiting its availability to existing digesters or operations under a certain size, and transferring the credit to another agency.
- **HB 2469/SB 1037** – these bills would restore local control and the rights of local communities to adopt locally specific regulations for genetically engineered crops to protect farmers whose crops may be at risk of contamination due to a lack of state oversight. In 2013, the legislature passed a bill pre-empting local regulation of GE crops, declaring them to be under the 'exclusive regulatory power' of the state. However, ODA has stated it lacks authority to create GE specific rules and policies, and the Oregon Legislature has not clarified the ODA's authority since that time, creating a regulatory vacuum.  
**Status:** Hearing on HB 2469 held in the House Agriculture Committee on March 16. Hearing on SB 1037 held in the Senate Environment Committee on April 13. No further action was

taken on either bill, rendering them dead as of the April 18 deadline. However, it is expected that the Senate Environment Committee will hold an ‘informational’ hearing on issues related to GE contamination, mediation, co-existence, etc. later this session.

- **HB 2739** – would allow farmers who discover the unwanted presence of genetically engineered material on their land to seek damages from the patent-holders of those crops. The spread of herbicide-tolerant creeping bentgrass beyond original field boundaries and high profile contamination incidents with experimental GE wheat and deregulated GE alfalfa provide examples of significant financial risk borne by farmers from poorly regulated GE crops. This bill would strengthen the ability of farmers to hold GE crop patent-holders financially liable for the damage from unwanted presence of their products.  
**Status:** Hearing held in the House Judiciary Committee March 16. Referred to the House Rules Committee without recommendation on April 24, where it awaits further consideration.
- **HB 2038** – maintains funding for Oregon’s Farm-to-School program for the 2017-19 biennium. In 2013, the Legislature expanded Oregon’s Farm-to-School program statewide, providing over \$5 million in funding to support schools purchasing Oregon grown and processed food, as well as food and agriculture-based educational programming. Though Farm-to-School has a strong track record in promoting healthy eating in schools while supporting Oregon farmers, ranchers, and food producers, the Governor’s Recommended Budget for the 2017-19 biennium contained no funding.  
**Status:** The bill passed the House Agriculture Committee on April 4, and now awaits consideration in the Ways and Means Committee. However, funding for Farm-to-School was not included in a late April proposal from state budget writers, and could fall victim to state budget cuts if new revenue is not found.
- **SB 805** – Would provide \$9.4 million to maintain current service levels for the Oregon State University Public Service Programs (the ‘OSU Statewides’) that support Agricultural Research and Extension programs. Maintains new program investments made in 2015.  
**Status:** Passed the Senate Environment Committee on March 6, and now awaits action in the Ways and Means Committee. The funding levels contained in SB 805 could ultimately be folded into SB 5524, a bill that provides the operating budgets for Oregon universities. In a late April ‘target reduction list’ from state budget writers, only \$3.3 million of the \$9.4 million needed to maintain current service level funding for the OSU Statewides was included, equating to a significant erosion of 2015 funding increases without new revenue.
- **SB 677** – would allow on-farm production and sales of farm-produced hard cider on farms with at least 15 acres of apple or pear orchards, identical to policies that allow Oregon wine growers to produce and sell wine directly to consumers on their property.  
**Status:** Passed the Senate March 28 (29-0-1), scheduled for a House vote May 11.
- **HB 3116** – allows ‘ungraded’ eggs to be sold farm-direct and under consignment at farmers markets and in other farm-direct settings, as long as they are labeled ‘ungraded’ and candled to inspect quality. Allows both licensed egg handlers, in addition to producers who are exempt from licensing under Oregon’s farm-direct laws, to sell eggs labeled ‘ungraded’ to their farm-direct customers.  
**Status:** Passed the House April 6 (55-0-5), Passed Senate (amended) May 4 (27-0-3), House concurred on Senate amendments May 9 (58-0-2).