Board members present: Laura Masterson, Sharon Livingston, Steve Van Mouwerik, Doug Krahmer, Barbara Boyer, Stephanie Hallock, Marty Myers, Tracey Liskey, Tyson Raymond and Katy Coba.

Others present: Lisa Hanson, Lauren Henderson, Bruce Pokarney, Ray Jaindl, Jim Johnson, Kathryn Walker, Craig Reeder, Bob Levy, Jason Barber, Mateusz Perkowski, Helmuth Rogg, Mark Porter, Susan Liskey, Wym Matthews, Ivan Maluski, JR Cook, Jeff Bosma, Herb, George Murdock, Tamra Mabbott, Wayne Lie, Les Ruark, Lindsay Eng and Ron Sarazin.

Chair Laura Masterson called the meeting to order at 8:30 AM.

The meeting was opened with the Pledge of Allegiance. Introductions of board members were made followed by introductions of staff and guests.

Minutes
Tracey Liskey made a motion to approve the minutes from the April 2015 Board of Agriculture meeting. Doug Krahmer seconded the motion. Minutes approved unanimously.

Director’s Report - Katy Coba, Oregon Department of Agriculture (ODA)
Director Coba informed the board that a recent announcement was made to not list Sage Grouse on the endangered species list. This decision was due to the effort of multiple individuals and entities. ODA is hopeful that these efforts will continue so that the Sage Grouse population can continue to increase. Doug commented on the efforts taken by the ranchers in Eastern Oregon to help with repopulation efforts of the Sage Grouse and expressed his appreciation for their work. Director Coba also reported that Secretary Jewell came to Oregon and met with several people working on the Sage Grouse effort.

Drought continues to be a focus and high priority for the state. The drought has contributed to the many wild fires, which also impacted the state’s ranchers. The governor has issued an Executive Order, which requires state agencies to reduce water consumption by 15 percent by 2020. The state is working on putting together a plan to achieve this. Water conservation, water supply and development along with raising the awareness level of drought are the governor’s priorities. This year has had the most number of counties declare drought. Western and coastal counties have not seen this type of drought before and are struggling with this issue.

The governor is participating in her first trade mission this fall. Lisa Hanson will be accompanying the governor. The mission will include stops in Japan, China and Vietnam. A few agricultural commodity groups will also be participating on the trade mission.

Director Coba recently returned from the National Association of State Departments of Agriculture (NASDA) Annual Meeting. The number one priority for NASDA is the
implementation of the Food Safety Modernization Act (FSMA). Two rules have been finalized and additional rules are due this October. States need funding from the federal government if states are expected to be involved with implementation. NASDA passed an action item at their annual meeting to support full funding for FSMA. The Federal Drug Administration (FDA) has requested $100 million for FSMA implementation but Congress has currently appropriated only $40 million. If FSMA is not fully funded, it cannot be fairly or equally implemented over the states. Funding is needed for education, outreach and implementation. Stephanie Page is working with produce stakeholders to determine ODA’s role with respect to FSMA.

A question was asked if FSMA foreign rules have been acknowledged by international entities. Director Coba said that some countries are aware, but the majority is not. It was expressed by board members that all foreign suppliers be treated the same as domestic suppliers. FDA is not fully funded to meet the current inspection requirements. Approximately 10 percent of the inspections are being conducted.

Director Coba reported that post-legislative session the implementation of recreational marijuana and industrial hemp has required a great deal of staff time. ODA has been working closely with the Oregon Liquor Control Commission (OLCC) and the Oregon Health Authority (OHA) on implementation of HB 3400. A few growers have also grown industrial hemp. These operations have been inspected twice. The hemp is not being grown for fiber or industrial purposes but grown for medicinal purposes. This brings up questions about how this crop is treated with respect to medical marijuana. The hemp statute is very vague. There are a lot more questions than answers around industrial hemp as it relates to medical and recreational marijuana.

Director Coba also reported that there is a desire for pesticides to be used for the production of marijuana. There is no label specifically for the production of marijuana. There are some generic pesticide labels that could be used on marijuana. As with any pesticide use, the label is the law and pesticide products must be used according to the label. There is a desire to create a pesticide guidance list for producers. OHA is the lead agency for developing the testing standards for medical and recreational marijuana.

Concern was expressed that staff time will be diverted from serving the existing ODA fee payers and clientele. It is important for the state to provide funds for ODA to help with the implementation of marijuana.

Director Coba reported that ODA has received one position, funded by OLCC, to work on the cannabis issues. ODA also has a placeholder for a future position, but do not know what that position might look like. Colorado has had an increased workload associated with pesticide complaints and added five staff positions just to deal with marijuana pesticide complaints. ODA staff has been asked to track of their work time related to marijuana issues. OLCC is very willing to support additional funding for ODA, but it is up to the legislature to make that decision. ODA has had conversations with OLCC about using ODA staff to assist with grower compliance inspections. There is going to be a larger discussion
about resources. ODA prepared a Pesticide Alert for medical marijuana growers. The alert was mailed by OHA to over 53,000 medical marijuana growers.

**Budget and Legislative Update - Katy Coba**

Director Coba reported that although this was a challenging legislative session, the agency's budget ended up in a good place. Total agency funding has exceeded $100 million for the first time. The 2016 Legislative Wrap-up document was distributed. Director Coba touched on highlights from the legislative session including:

- **Laboratory Package** - funds for a new Laboratory Information Management System plus five additional staff.
- **Administrative parity** - ODA received general funds for administration. This will take the pressure off of fee-for-service programs and help keep these program services competitive.
- **Agricultural Water Quality** - the agency received three new positions. The program has also identified seven new strategic implementation areas and will work to identify an additional six next year.
- **Pesticides** - the package increased pesticide investigator staff by four and added a case reviewer and customer service person. ODA received funds to move their Pesticide Analytical Response Center position from half time to full time. A 24-hour pesticide reporting hotline will be created and the legislature established 60-ft buffers for forest applications around schools and homes. The pesticide registration fee will be doubled from $160 annually to $320. The agency is in the process of conducting rulemaking. Ten dollars from this pesticide registration fee will be used to fund pollinator work at Oregon State University.
- **Five programs** will be increasing their fees (nursery licenses, pesticide registration fee, animal health, motor fuel quality and fertilizer).

Director Coba commented on HB 2509. The agency currently has a mediation program, however most of the work is associated with labor. ODA contracts with mediators for this service. The potential workload associated with HB2509 is unknown. This bill was a result of the Genetically Engineered (GE) Taskforce.

Director Coba also commented on HB 3382. This bill pertains to canola. Legislation passed in 2013, authorized limited canola production. This bill expands growing opportunities. ODA will have to develop a recommendation regarding canola production and report back to the legislature in 2018.

Stephanie Hallock commented on SB 829 and how this bill could be precedent setting.

ODA has started to prepare for the 2016 Legislative Session, which is a short session. In a short legislative session, the number bills that can be introduced is limited. Director Coba spoke about these limitations. It would not be surprising to see a bill relating to hemp in the short session. Session starts February.
Jim Johnson reported that there are a lot of land use issues in Morrow and Umatilla County, particularly associated with energy facility siting, transmission lines and water supply issue. These issues have broader implications state wide.

**Local Panel: Water Quantity and Energy Facility Siting - JR Cook, Northeast Oregon Water Association (NOWA), Jeff Bosma, Sage Hollow Farm, Craig Reeder, Bob Levy**

JR spoke about the Northeast Oregon Water Association (NOWA). The genesis of the group was to help water users have a unified message. This is important as the region works to request funds for water planning, feasibility studies and project implementation.

Water development effort is the primary focus of NOWA. Not only securing more water for the area but to relieve the pressure on the critical groundwater areas. NOWA is also working on proactive planning as it relates to overhead energy transmission lines. NOWA would like to also be able to work on the challenges associated with the ground water management area while growing the industrial base for the community.

NOWA is working with the state with respect to water quality issues for the region. JR spoke about the rulemaking associated with mitigation in the Columbia River, basalt banking, in-water work and more.

Jeff Bosma spoke about energy transmission lines. Challenges associated with transmission lines are unique to Confined Animal Feeding Operations (CAFOs) as stray voltage from transmission lines can cause a cow health issue. The second effect is due to the actual CAFO Permit requirement. There is concern about losing farmable acres and needing to change farming practices because of restrictions to what can be done under the transmission lines. This could affect the farmer’s ability to comply with the CAFO permit. A modern dairy farm is a large investment. Shortly after completing the construction of a new facility, Mr. Bosma found out that the transmission lines were proposed to run through his operation.

In general, energy siting is a big issue and will impact agriculture. There is concern that the local community is not able to help guide the placement process.

The land use process for the siting of these services does not go through a local land use process but through an Energy Facility Siting Council. This puts the landowner in the position to react, versus being part of the conversation. NOWA’s work has provided feedback for the proposed transmission line to an alternate route (along Bombing Range Road). The farmers are hopeful that the Navy will cooperate so that the transmission lines will by-pass private properties.

The community needs the Boardman to Hemmingway Power project along with wind projects, but planning needs to occur in order for it to be done thoughtfully.

NOWA has been working to engage Governor’s Office on this in a proactive manner. There is little the Governor’s Office can do under the current statute. NOWA attempted to pass a bill regarding transmission line locations, specifically creating criteria around the use of
cultural areas and high-value agricultural land. NOWA also developed a white paper regarding this issue and is hopeful that a task force maybe formed.

There are also concerns about other states connecting to northwest power grid and implications associated with that.

Bob Levy added additional information regarding power lines. Wind projects need a way to get power from wind towers to the grid, this is a separate issue. Wind towers have provided another revenue source to non-irrigated agricultural areas.

The panel moved into a discussion regarding water quantity. It is estimated that with just back filling irrigation rights, not irrigating new ground, it would create a half billion dollar economic impact. The panel talked about the challenges for the Oregon Water Resources Commission Division 33 Rules for water rights. Mitigation of water use is also very important.

Craig Reeder talked about the formation of NOWA and its effectiveness of the unified effort. NOWA has offered everybody the chance to participate. Examples were provided. There was discussion about being able to pump water out of the river during high flows, move the water to ground water management areas while applying high nitrate water to fields as fertilizer. A future phase for water quantity projects is to go up stream and work with users that are still flood irrigating and help change the water use mentality of “use it or lose it.” It is important that the next steps do not undermine the local economy and include sideboards.

Sharon spoke about the recent Waters of the US rule and encourages Oregon to take charge of its waters.

Public Comment
Craig Reeder provided public comment regarding Threemile Canyon Farms (TMC) and Marty Myers. Craig was appreciative of the opportunities that both TMC and Marty offered to his family’s farm and the community. With this relationship, Craig reported that his family’s farm is viable for another generation.

Ivan Maluski from Friends of Family Farmers (FOFF) informed the board that he was attending the Board of Agriculture meeting to visit TMC and listen to the important board visioning process. Ivan distributed the Agricultural Reclamation Act, which was updated in 2015. Ivan explained the process in which FOFF completed the update including visiting 25 rural communities and hosting several listening sessions. Ivan highlighted the section of the act titled “ODA Support, Clarity & Cooperation.” Ivan reported that there is a perception that state’s economic development resources have been focused on industrial scale farms. ODA has done a good job administering the federal pass through funds but funding should change and there needs to be a stronger state system.

Ivan also reported that he served with Marty Myers on the Governor’s GMO Task Force. Ivan spoke that the recent media associated with the appointment (of Marty Myers to the
Board of Agriculture) was not a personal attack on the individual or the department. Ivan has concerns about the process of making board appointments. FOFF filed a public record request (with the Governor’s Office) to receive a list of applicants for the vacant board position. These names have not yet been released. Ivan reported that the Ethics Commission Conflict of Interest does not apply to the Board of Agriculture members. There is also concern about conflicts of interest held by board members. Ivan stated that there is a need for board reform and FOFF introduced such legislation this past session. Ivan reported that the way Mr. Myers was appointed takes away credibility. There is an ongoing need for change. This particular appointment underscores that.

Tracey expressed that unfairness exists in any process and provided an example about the senate confirmation process.

Director Coba clarified that boards that go through a confirmation process also have rule making authority, thus senate confirmation is required. Rulemaking authority for ODA resides with the department and the director. Several years ago, the board did discuss whether they would like to be a rulemaking board or an advisory board and it was decided that the board would remain as an advisory board.

Director Coba also reported that the previous reference regarding the ethics commission and the Board of Agriculture members is not accurate. Board members are public officials and are subject to all ethics requirements for public officials. Board of Agriculture members do not have to file a statement of economic interest.

George Murdock from the Umatilla County Board of Commissioners and Tamra Mabbott, Umatilla County Planning Director also provided public comment. The comments provided represent Umatilla County. Umatilla County is a resource-based economy and the county would like to have more diversity. The county has the capacity to increase the value of agriculture by 20 percent. Electricity is important but it is necessary to preserve high-value farmland.

George reported that livestock and crop production is not recognized when transmission lines are sited. Umatilla County Commissioners would like to have the location of the transmission location clearly articulated before a project begins.

Tamra Mabbott commented that Jim Johnson will be receiving an award for his advocacy for the protecting of farm ground.

Tamra displayed a map that showed proposed transmission lines and location of wind farms for Umatilla County. Since 2002, a large number of renewable energy projects have been sited in the area. The first phases were strategically located close to existing transmission lines. The second phase was located 5-10 miles from the grid. County cannot put conditions, nor can county deny these projects even though there is lots of evidence against it. The third phase will place wind farms 20-50 miles from the grid. Transmission lines will cross high-value farmland.
Tamra reported that current tools do not allow counties to help guide energy projects. HB 2407 would have encouraged transmission lines to minimize their impact to high-value farm but this bill did not pass. Wind farms require conditional use permits whereas transmission lines require a land use decision. Conditional use permits tend to be a more rigorous process where as land use decision can be issued as long as the project meets a definitional standard.

Tamra reported that there are nineteen statewide planning goals for Oregon and these goals do not address the need for a comprehensive plan around energy projects. Permitting is often done in a silo, without a plan and without consideration to long-term impact on agriculture. These project should be treated similar to other permitted projects. In addition, incentives are needed to help siting on areas where it will not impact high-value farmland.

Meeting recessed at 10:33 AM for a local tour and reconvened at 8:35 AM the following morning (September 24, 2015).

State Board of Agriculture Report, Kathryn Walker
Kathryn reported that it is time to start thinking about the 2017-19 State Board of Agriculture Report. The board liked the previous year’s format where there was a regional section as well as information about individual topics. The strategic planning process should guide what topics the board would like to cover.
It was requested to mix up assignments and allow for more time to write the sections.

Director Coba wanted to respond to a comment that was made regarding the biases in how the agency performs its work. Director Coba reported that the Agriculture Development and Market Access Program is one of the smallest programs in the department receiving approximately $4 million in General Fund. There are 12 staff including three international trade specialists. General Fund is used to support the salary of the international trade specialists, but trade work is funded primarily funded through federal funds and partnerships. There is no money earmarked for international efforts completed by the state. The state has received Specialty Crop Block Grant Funding for local efforts (approximately $3 million), which is larger than what the state has received from the federal government for international work ($600,000 to $900,000). Specialty Crop Block Grants have allowed for additional focus on local and regional projects. It is important for farm groups to advocate for full funding for these (Specialty Crop Block Grants) programs at federal level along with full federal funding of conservation programs.

Strategic Visioning Process – Ron Sarazin, Olympic Performance, Inc.
Director Coba reported that the department would be developing a strategic plan. The last strategic plan was completed when she started as director. It is important for the board to have input regarding the agency’s strategic planning processes as well as an opportunity to discuss the things going well, or not so well, for agriculture and if the board is spending the time and energy in the places that you think should be spent. ODA has contracted with Ron Sarazin to help the agency through this process.
Board members introduced themselves. Ron introduced himself to the board. Ron outlined the strategic plan process. It is important the strategic plan reflects what is going on and what should be going on.

Ron walked the board through a brainstorming exercise to identify three things going well for the department and three things the department should focus on.

Items going well were as follows:
- Land use policies and farm land protection
- Inter-agency partnerships in Oregon
- Market access efforts
- Water quality efforts
- Outreach to farmers
- Balancing the diversity of ODA’s roles
- Certification programs are going well and could be expanded
- Relationship with Oregon legislature
- Knowledgeable staff
- ODA’s credibility and effectiveness at the federal level
- ODA’s involvement with Food Safety Modernization Act

Items that could be improved are as follows:
- Access for everyone to the department does not seem like it is there yet
- Large number of people are expected to retire at ODA in the near future, so it is important to build depth for the future of the agency
- Can the department help with agricultural labor, including the availability of workers
- Water quality
- Balancing advocacy with the regulatory enforcement and public perceptions of the dual roles
- Water quantity/drought/insurance of irrigation water will be a big concern for the industry in the near future
- Coexistence is a rising issue in the state (organic, GMO, conventional farming techniques) and how does agriculture all get along based on size, scale and markets
- Stronger positions should be taken on issues
- Invasives need additional funds
- Keeping the next generation of agriculture involved
- The board would like to be utilized more
- Cannabis policy implementation – how is this crop integrated into ODA’s programs and how is this workload managed
- Board composition and role
- Equity and diversity of the board
- Transportation of agricultural commodities to the market place.
There was a discussion about the next steps in the strategic planning process. The board will need to help the department prioritize their list.

Director Coba asked the Marketing and Food Safety Committee to have a conversation to see if the committee is spending their time in the appropriate places.

Director Coba discussed the committees. Each board members serves on two committees – either the Natural Resource or Land Use Committees and the Government Relations or the Marketing and Food Safety Committee. Director Coba will work with the Laura on committee assignments, including selecting a chair for each of the committees.

The next Board of Agriculture meeting is scheduled for December 15-17 in Portland. The board expressed interest in spending time at the Oregon Food Bank.

Future board meeting dates were set.
- March 29 - 31, 2016 in Corvallis at OSU
- June 7 - 9, 2016 in John Day
- September 12 - 14, 2016 in Pendleton

Meeting adjourned 12:30 PM.