

**Oregon State Board of Agriculture
September 12 & 13, 2016
Wildhorse Resort and Casino, Pendleton**

Board members in attendance: Pete Brentano, Barbara Boyer, Luisa Santamaria, Marty Myers, Stephanie Hallock, Tracey Liskey, Tyson Raymond, Sharon Livingston, and Director Katy Coba.

Others in attendance: Deputy Director Lisa Hanson, Assistant Director Lauren Henderson, Ray Jaindl, Bruce Pokarney, Casey Prentiss, Enrique Sama, Mateusz Perkowski, Tammy Dennee, Sue Greer, Doug Krahmer, Ron Sarazin, Meta Loftsgarden, Nellie McAdams, Les Ruark, Jim Johnson, Dennis Myhrum, Karen Lewotsky, Ty Hansell, Chris Banek, Dave Tovey, Kevin Hudson, Katherine Minthorn-Goodluck, Bill Tovey, Ron Alvarado, Les Ruark, and Kathleen Cathey.

Chair Brentano called the meeting to order at 8:35 AM. The meeting opened with the Pledge of the Allegiance. Board member introductions preceded introductions of staff and guests.

Minutes

Minutes were distributed in advance of the meeting. Sharon Livingston moved to approve the minutes as presented. Tracey Liskey seconded. Motion passed unanimously.

Director's Report, Director Coba, Oregon Department of Agriculture (ODA)

Director Coba thanked Tyson for the tour of his property in Umatilla County. Director Coba spoke about her transition from the ODA to the Oregon Department of Administrative Services. This transition will take place on October 1st. Director Coba expressed her appreciation to the board for their service.

Director Coba reported that Deputy Director, Lisa Hanson, would serve as the interim director as recruitment begins for the new director. The Governor's Office wants to move quickly in naming a new director. There have been challenges filling director positions at some state agencies. The goal is for the governor to select a candidate in time for senate confirmation during the December legislative days.

Director Coba reported that Lindsay Eng was on a trade mission. The trade mission travelled to Shanghai and Hong Kong. The focus of the mission was women in agriculture. Seven states, representing 30 companies, participated in the trade mission. Three companies were from Oregon.

Director Coba also spoke about the specialty crop 'Crop Up Dinners.' Oregon State University has been the lead on these events with support from ODA. The dinners highlight specialty crops and the local farmers who grow them. The dinners have been well attended.

Ron distributed the latest edition of the strategic plan. This version is in draft form and for discussion purposes only.

Ron provided background on how the document was developed. As for the timing, with a new director being recruited, the current document might become a transition document for the next director so that s/he can take the department in the direction that he/she wants.

Ron reviewed the draft document with the board. The board had a robust discussion about ODA's mission statement and values. Although members of the board did not want to change the mission statement or values significantly, a few suggestions were offered. For example, it was suggested that language be added to acknowledge that ODA bases its decisions on science-based approaches. One Board member said that the way the mission statement is expressed is unusual. The mission statement could be an opportunity to make a short, dramatic statement about the importance of agriculture in the state, followed by a longer statement of the department's vision. Furthermore, with the department's emphasis on supporting the diversity of agriculture, this could also be an opportunity to add that to the mission statement and/or core values.

There was a discussion about how the board report ties into the strategic plan.

Ron explained the key objectives but reminded the board that the ability to achieve these key objectives is dictated by budget, resources, staffing, and other unforeseen circumstances.

As the board reviewed the key objectives, suggestions were as follows:

Key objective #1: include an item pertaining to board member on-boarding.

Key objective #2: it was recommended to spell out that conflict resolution training included both mediation and facilitation training.

Key objective #3: no comment.

Key objective #4: one of the items identified by the staff during this process was the need for more training. Additional staff have been requested for the 2017 session, however, if resources are not received, this key objective will have to be changed drastically. A question was asked if mentors could help fill this void if resources are not received.

Key objective #5: it was suggested that social media tools would be used as they become valuable. This will help the document stay relevant.

Key objective #6: it was suggested to consider adding diversity (in general) to the value statement as a means to enforce this objective.

Next steps include refining key objectives as they are meant to be long term. The strategic plan will drive program work and be used to track progress.

It was suggested to acknowledge when tactics would be implemented. For example, identify what will be addressed in year one, year two, etc. It was also recommended to add staff testimony to the document as a means to personalize it.

Additional feedback regarding the draft strategic plan document is welcomed.

Oregon Agricultural Heritage Program, Meta Loftsgaarden, Oregon Watershed Enhancement Board (OWEB) and Doug Kraemer

Meta spoke about the Oregon Agricultural Heritage Program. The Oregon Agricultural Heritage Program includes a collection of diverse stakeholders interested in helping landowners maintain working farms and ranches while supporting conservation efforts.

This concept was first proposed during the 2015 legislative session. Although the concept did not go anywhere, there was still interest in creating a solution. Subsequently a workgroup was formed. Doug is a member of the workgroup.

The workgroup began meeting bi-weekly since November 2015 to develop program goals and concepts. Currently the program is conducting listening sessions across the state with the goal of preparing a legislative concept that will be introduced during the 2017 legislative session. If funded (\$4.25 million), the pilot program would begin July 2017.

The workgroup's focus is to develop voluntary tools to keep lands in farming and ranching to support Oregon's economy, develop and maintain healthy rural communities, and support healthy fish, wildlife and other natural resources.

The workgroup focused on working lands since Agriculture is the state's second largest economic driver, agricultural land supports valuable fish and wildlife habitat, farm and ranch land are the cornerstone to the state's economy, and the state's land use laws are not enough to protect farms and ranches from fragmentation.

Goals of the Oregon Agricultural Heritage Program include creating incentives to keep farms and ranches in production while supporting fish, wildlife, and natural resources, develop flexible approaches tailored to individual landowners, and create opportunities to leverage federal funds while balancing landowner and conservation needs.

Doug commented that it was important to have a program so every farmer and rancher that wanted to could access it. It is possible that the initial focus of the pilot program will be on land that is in danger from urban growth or land identified with endangered species.

Issues to be addressed also include the loss of working farms and ranches and the lack of succession planning for family owned farms and ranches.

In order to keep land permanently in agriculture and maintain or improve fish and wildlife habitat and other natural resource values, the workgroup has proposed to develop a grant program. A newly created Oregon Agricultural Heritage Commission would oversee the investments.

Meta discussed the proposed make-up this group. The Oregon State Board of Agriculture would play a role in identifying some members for this commission. The commission would be staffed by OWEB.

Voluntary tools would be used, for example, grants for easements and agreements, grants for technical assistance for those holding easements and agreements, and grants for succession planning. Finally, participating farmers and ranchers would receive regulatory protections. There is existing statute that gives OWEB this ability.

A study will be conducted to determine tax-related and other financial barriers to farms and ranch land transfer. Oregon Department of Revenue would be the lead agency on this study with coordination from ODA and OWEB.

The workgroup has spent a significant amount of time discussing the ranking criteria for working lands that provide natural resource values. Meta reviewed the criteria. For example, a farm or ranch with a management plan would rank higher than a farm without a management plan.

A question was asked about the funding source for the pilot program. OWEB has requested general fund but it could be switched to a lottery bond. Doug reported that the program would be set up to accept donations. Donations can be designated for specific practices. Meta needs to determine if donations would be considered a charitable contribution.

Meta reviewed the administration costs of the program. Initially, there will be more administrative costs. For example, additional staff time is needed for rulemaking as well as completing the tax study. Once this work is complete, administrative expenses would be limited to 12 percent. Doug commented that the commission would serve as the rules advisory committee.

Director Coba requested additional information as to what role ODA would play in this program. Additional department resources may be needed to support ODA's engagement.

There was a brief discussion about the management plan. It was explained that the landowner would develop a management plan in conjunction with the soil and water conservation district (SCWD). OWEB, via the commission, will also have to agree to the plan. Any changes made to the management plan will also need to be accepted by OWEB.

Clean Water Partnership Update, Ray Jaindl, ODA

Ray Jaindl provided an update on the Clean Water Partnership (CWP). The information that Ray provided to the board was in draft form and for discussion purposes.

The vision for the CWP is a comprehensive approach to improve water quality on rural lands by strengthening the partnership's ability to support improving trends in water quality for healthy fish, healthy watersheds, and healthy rural communities.

Ray explained the genesis of the CWP. The role of the CWP is to work together to identify and address challenges and opportunities to improve water quality trends on rural lands in Oregon.

The conveners for the CWP include the Governor's Natural Resource Office, Oregon Department of Environmental Quality, Natural Resources Conservation Services (NRCS), Oregon Department of Fish and Wildlife, OWEB, and ODA. After the agencies met, the group began having conversations with a diverse group of stakeholders. From that, a State Agency Team was developed and the first CWP meeting was held in August 2016.

Phase 1 of the CWP will focus on agriculture since the agricultural water quality program has implemented Strategic Initiatives and there is an opportunity to evaluate tools to target efforts and outcomes as a result of these efforts. Ray described how this would work.

Ray provided a timeline for the CWP.

A question was asked regarding the role of the Governor's Office with the departure of Richard Whitman. Lauri Aunan will participate on the governor's behalf. OWEB also has a grant, which supports a facilitator for CWP.

ODA has requested a staff person to support this effort.

Meeting recessed at 10:29 AM and reconvened at 10:51 AM.

Public Comment

Nellie McAdams, Rogue Farm Corps, reported that the collaborative research project that Rogue Farm Corps, Oregon State University, and Portland State University will release its final report on Monday. Nellie highlighted some of the report's findings.

Nellie also thanked ODA for their letter of support. Rogue Farm Corps and others are pursuing an Agriculture and Food Research Initiative (AFRI) grant. If funded, this grant would help address land transfer/access issues.

Local panel discussion: Dave Tovey, Kevin Hudson, Mike Young, Tyler Hansell, and Chris Banek

Chris Banek, Banek Winegrowers Management, started a farm management company in 2010. The company farms 13 different vineyards ranging in size from four acres to 63 acres in two states. The company provides labor, equipment, and technical knowledge to the wine growers. The company employs 30 to 40 people. The season starts in February and finishes in November.

Milton-Freewater viticulture is unique. In addition to being identified as a Rocks District, it is unique in that it is the only American Viticulture Area that is defined by one soil type. Growth for the wine industry will depend on the strength of the apple and cherry industry. Chris reported that in Washington, over the last couple of years, over 1,000 acres of apples and cherries have been converted to wine grapes.

Chris spoke to the complexity of compliance as a farm labor company. It has been difficult to get assistance from some state agencies. It has also been difficult to find labor. The company provides bonuses, educational opportunities, and scholarships along with a long work season to make the job attractive. Agricultural labor is important to the wine growers, as many of these operations are not set up for mechanization due to the size of the operations.

As one way to address the labor challenges, Chris started a 'kids crew'. This crew works separately from the main crew as to ensure compliance with child labor regulations.

Chris spoke to the difficulty of the agricultural laborers receiving their pesticide apprentice license. There is a lack of Spanish resources available. Since the company works in both states, it would be helpful if the two states would acknowledge each other's pesticide license. Also, if licensing could be done on calendar year versus anniversary date, this would match the work season.

Mike Young, Quality Control Specialist at Barhyte Foods, provided a history of the company. Barhyte Foods manufactures mustard and sauces.

Mike reported that regulations continue to increase and it is a challenge to stay up to date. Mike expressed his appreciation for ODA and their staff to help the company understand the Food and Drug Administration's (FDA's) requirements. Mike also spoke about the challenges with individuals who make food manufacturing regulations yet have no knowledge of food manufacturing.

Mike reported that the company is working to export their products to Mexico. The paperwork for this is daunting and it has been difficult to get assistance with this.

Mike shared that Barhyte products are sold across the country. It is difficult to compete with other states that have lower employee costs. At some point,

mechanization could be an option for the company. There are 35 employees at Barhyte Foods.

Mustard seed is primarily provided by local farmers but some seed has been sourced from Canada if demand exceeds what is available locally. Chili peppers are imported from Peru but with transportation issues at the Port of Portland, this has become more a challenge for the company.

Dave Tovey, Executive Director Confederated Tribes of the Umatilla Indian Reservation, spoke about the Tribal Farming Enterprise (TFE). The tribe began the farming enterprise in 1965 and Dave provided a history of the tribe's farming efforts.

The purpose of the TFE is to make a profit for the Tribe, to better control weeds and erosion and to increase productivity of the Tribal lands. It is also intended to provide employment and an opportunity for Tribal members to assume additional responsibilities and gain experience in the operation.

The Umatilla Indian Reservation is 158,814 acres with 55,099 acres in farmland and 100,785 acres in rangeland, pasture, or other land use.

The first farm manager was hired in 1998 at which time the Tribe actively farmed 110 acres. Today, the Tribe farms 6,729 acres and has 3,844 in Conservation Reserve Program (CRP). Kevin Hudson is the farm manager.

Dave spoke about the Tribe efforts to acquire land back that was originally allotted to the Tribe in 1886 under the Allotment Act.

The TFE currently grows wheat, barley, dry peas, and canola. Ninety-nine percent of the land is no-till or in annual crops. Challenges the TFE has been facing include high input costs, high fuel costs, drought, and technology issues. In 2016, the Tribe hopes to add additional farmland and fill some equipment needs. For the future, the TFE would like expand the farming operation by at least 300 acres per year and put idle lands from the Bureau of Indian Affairs back into production.

Finally, Dave spoke about TFE's Agricultural Management Plan.

A question was asked about growing canola. Dave responded that without a local crushing option, it is not a very profitable crop.

A question was asked if there was consideration for value-added products. There has been some discussion but an opportunity that would fit the Tribe has not been identified.

Tyler Hansell, President of the Oregon Wheat Growers, is an irrigated and dry land farmer in Hermiston.

Ty spoke about many issues impacting the regions farmers. Dry land wheat farmers are experiencing low prices. It has been difficult to move product out of the area that has also created a surplus of product locally. At this point in time, wheat is the only potentially profitable crop on dry land. Canola could be grown but a local crusher is needed in order for it to make it a profitable crop. Over 90 percent of Oregon's wheat is sold overseas. Increasing the availability of water will help produce more productive ground, which in turn generates more tax revenue for the local economy.

Tyler also expressed concerned with rule making. Some government agencies draft rules that do not meet the intent of the law passed.

Tyler expressed concern about Measure 97 and how it will impact local co-ops. Oregon's farmers are price takers. Co-ops help farmers market their products. Tyler expects if Measure 97 passes that theses companies will just pass down the cost onto the farmers.

Recent activities associated with aerial spraying on forest ground have created concern in the agricultural industry. Farmers are worried about how this might impact agricultural operations.

Tyler expressed support for the OSU statewides. From testing to breeding, the work of the statewides is valuable for the region's farmers.

Farm size and labeling was also discussed by Tyler. Most people think a large farm is 20 acres. Public perception is much different than reality. Labeling is also an important way for farmers to promote value-added products but encourages positive labeling. For example, watermelons grown in Hermiston are marketed as Hermiston watermelons versus the rest of the watermelons in the market being marketed as non-Hermiston watermelons.

Fuel regulations and carbon emissions are also a concern for Oregon farmers.

Tyler said that the agricultural industry has not been very good at "tooting their horn." Most farmers don't have the time and/or resources to be on social media all day to promote what they do. Agriculture has much to be proud of. For example, the wheat farmers started the food donation program "Bushels for Betsy."

Weed control is another important issue. Farmers actively manage weeds but weed management is compromised when neighbors do not control their weeds.

The issues at the Port of Portland has forced product to be trucked up to Seattle for export.

Tyler spoke about the conversion of some of his wheat ground into organic production. The cost for an organic inspection (including inspector's travel and per

diem) does not make certifying a small number of acres cost-effective. Having regionally located inspectors can help farmers who have smaller wheat acreages transition more successfully into organic production.

Succession planning is also an issue for the region. Tyler said that there are only 47 farms in Gilliam County, 23 actively farm. Without a successful succession plan, consolidation will likely be the only way for the land to remain actively farmed.

Finally, Tyler spoke about CRP. He estimated that 85 percent of CRP ground would be coming out of contract. This land could be used to raise organic products, however the challenge is that this land tends to be marginal land, thus having low yields. With low production, it may not be cost-effective to certify this acreage as organic.

Adjourned at 12:20 for lunch and reconvened at 1:16 PM.

Unmanned aerial systems (drone) update, Judith Callens

Judith gave an update on Unmanned aerial systems (UAS).

In 2012, Congress enacted the Federal Aviation Administration (FAA) Modernization and Reform Act. In 2014, the FAA issued a notice for proposed rulemaking to clarify authority over safety issues related to recreational UAS. Rules for small UAS (under 55 lbs.) were published in 2016. Today, FAA and National Aeronautics and Space Administration are creating an UAS air traffic system. Oregon is home to three test sites.

Judith reviewed the necessary requirements to fly a small UAS. The operator must pass the FAA aeronautical knowledge test, complete on-line remote pilot training course to received remote pilot certificate and register the UAS with FFA. Once this is complete, the UAS can be operated in unrestricted airspace. An UAS can be flown in restricted air spaces but advanced permission is needed.

Judith provided the rules related to a small UAS. The UAS must be flown below 400 feet and within visual line of sight. The UAS cannot be flown over groups of people, stadiums or sporting events. A small UAS cannot fly within five miles of an airport, fly near emergency operations or near other aircrafts. The operator cannot fly the UAS under the influence.

Oregon has been a leading state on the issue of drones. In 2013, Oregon passed House Bill (HB) 2710. This bill increased the restrictions on the use of images and information obtained by UAS. In 2015, Oregon passed HB 2354 which removed the 400 feet restriction and replaced the term drone with unmanned aircraft system. In 2016, HB 4066 created additional rules that prohibit weaponizing of an UAS and requires public bodies to develop policies to protect information gathered by UAS. This bill prohibited flights near critical infrastructure. This was a concern for the

farmers and ranchers as irrigation intakes could be considered as critical infrastructure. An exemption was made if the irrigation intake structure is on the farmer's own land.

The potential for UAS in agriculture is vast. Judith spoke about some of the potential uses of UAS in agricultural settings.

There continues to be challenges with UAS including safety issues, privacy issues, nuisance and trespass issues, as well as enforcement. Judith spoke to each of the challenges.

Judith reported that ODA does not own or operate an UAS. If ODA were interested in acquiring this technology, ODA would need to register it, prepare an annual report on the use of the UAS, and make the public aware on how data from the UAS would be used and stored. The governor does have the ability to declare a emergency and may use UAS to assess environmental damage, erosion, or contamination.

Finally, Judith provided a brief update on ODA's aerial applicator requirements. When ODA completed rulemaking on this, ODA did not consider UAS as a mode of aerial application. Ray spoke about the complexity of this issue.

The meeting adjourned at 1:42 PM to tour the Oregon State University Columbia Basin Research Center and see a demonstration by Oregon UAS Future Farm.

Tuesday, September 12, 2016
Wildhorse Resort and Casino

Meeting was called back to order at 8:31 AM by Chair Pete Brentano.

2017-19 Budget, legislative concepts and policy option packages update, Director
Coba, Deputy Director, Lisa Hanson, and Assistant Director, Lauren Henderson, ODA

The 2017-19 Legislative Session Agency Request document was distributed to the board. Legislative concepts have been drafted and agency budget requests have been submitted to the governor's office. By statute, the governor must prepare a budget by December 1.

Director Coba reviewed the state's unique budget situation. The state is expecting a budget shortfall (over \$1 billion), which would be an estimated six percent cut in general funds however, if Measure 97 passes, this would generate additional revenue for the state. Subsequently, the governor will be preparing two budgets.

A question was asked about how the department would address potential budget cuts. This time around, the executive team decided to do a department wide reduction in each program area. This is a shift from the past approaches when

whole programs would have been eliminated to address the budget shortfall. A 10 percent general fund cut for ODA is approximately \$2.6 million.

A question was asked if other funds are at risk for being cut. Other funds are rarely cut. This occurs when users of the program are not able support the program. An example of this was the nursery program in 2008.

Legislative concepts (LCs) were reviewed. There was a discussion about LC0589. This concept would create a new license category for Class II A scales. The scale examination for a Class II A scale takes more time as these scales are used for precise measurements. The concept would increase the license fees over a five-year period in order to bring the license fee in alignment with actual time spent on the examination. The weights and measure program is funded by cost recovery.

There was a question about the timeline in which ODA would seek authority with respect to the implementation of the Food Safety Modernization Act (FSMA) Produce Rule. ODA received a FDA grant that will support ODA's efforts for FSMA education and outreach. FDA also offers a grant that provides funds to support FSMA compliance efforts. The announcement for this grant is next spring. If ODA decides to conduct FSMA compliance, ODA would like to take advantage of the FDA grant opportunity. Authority would also be needed. A funding opportunity could be potential if ODA waited until the 2019 legislative session to request authority.

Director Coba reported that the policy option packages (POPs) have targeted key investments in core infrastructure at ODA. Many of the POPs were identified through the strategic plan process. Director Coba reviewed the POPs.

During this review, there was a brief discussion about the Secretary of State's audit of the food safety program. Based on the outcome of the audit, ODA might ask for additional food safety staff above the two staff already requested in POP 210.

There was a question about sampling for food borne illness and ODA's a role in this. It was reported that ODA does not routinely sample. Staff will sample if they suspect a problem. The Manufactured Food Regulatory Program Standards is a federal program that ODA participates in. This program does require random sampling.

There was a question about the location of the food safety inspectors and how the program is funded.

There was a discussion about the importance of education and outreach and the culture of support and compliance for licensees. A question was asked about charging firms for ODA's consultation services. It was reported that the fee might be a barrier to individuals/companies asking questions. ODA does not want to discourage food manufacturers from asking questions.

Assistant Director Henderson reported on programmatic reductions should ODA be required to make budget cuts. The department has prepared two reductions scenarios, in five percent increments. A detailed list of these proposed reductions will be made available to the board.

There was a discussion about program fees and how ODA compares to other states with similar programs.

Natural Resource Conservation Service (NRCS) update, Ron Alvarado, State Conservationist

Ron spoke about the history of NRCS. NRCS works with farmers, ranchers, Tribes, woodland owners, communities, and other individuals and groups to conserve water, soil, wildlife habitat, and other natural resources for the last 80 years. NRCS provides technical assistance and voluntary financial assistance through the implementation of the Conservation Title of the Farm Bill.

Ron reported that in 2008, NRCS went through a financial audit. It showed that although there was an increase in Farm Bill funding, there was not an increase in the number of staff to administer the funds or provide project assistance.

Ron provided a map of the conservation projects completed by NRCS from 2002 to 2012. Oregon received \$60 to 80 million per year during this time frame. Although important work was being done, it was difficult to evaluate project impacts. Subsequently, NRCS changed their approach to a strategic approach, which helps Oregon prioritize natural resource concerns and leverage program resources with partners to achieve landscape-scale conservation on private lands. This approach is partner centric, cost effective, focused, and targeted.

With the new direction, field offices were asked to develop long-range (10) year plan for Farm Bill investments. The plan included working with local partners to identify local resource issues, priorities, costs, and more which all lead to the Conservation Implementation Strategy (CIS).

This approach also allowed NRCS to leverage the \$1 million from OWEB to achieve outcomes. In addition, additional resources were brought into the state with this approach. Ron gave an example with the Joint Chiefs Landscape Restoration Project.

In the last Farm Bill, there was a program called the Regional Conservation Partnership Program. This program allows partners to come in and request funding for local projects. The model has made Oregon competitive, having the highest number of proposals in the country. For example, the first year brought in \$20 million to the state and allowed NRCS to leverage another \$20 million.

Ron spoke about success stories with this new strategy, for example, the Stayton-Sublimity Groundwater CIS. This system helped farmers convert over 50 irrigation

systems to more efficient systems resulting in water savings and reducing the strain on groundwater. The Sage Grouse Initiative restored 200,000 acres of key sage grouse habitat on over 100 ranches. Two-thirds of the conifer threat was addressed on priority private lands in Oregon. In Hood River valley, the Air Quality Initiative, removed 3,700 smudge pots, converting to cleaner-powered systems, affects 354 acres. The North Willamette Valley Upland Oak Restoration Partnership is a multi partner project with almost \$6 million invested to restore native oak habitat and enhance habitat for fenders blue butterfly.

Ron reviewed the suite of conservation programs administered by NRCS. In FY 2016, the program with the most number of contracts was the Environmental Quality Incentive Program. The Conservation Stewardship Program impacted the most number of acres. Ron reviewed how funds were obligated. Ron also provided a breakdown of the FY 2016 Statewide Initiatives.

Director Coba spoke about the ODA's strategic approach for the agricultural water quality program. This approach is complimentary to NRCS's work.

Jim Johnson spoke about the importance of NRCS maintaining the soil survey. This data is valuable for land use.

A question was asked about the relationship of NRCS's work and the work completed by the agricultural water quality program. Ray spoke to the importance of avoiding conflict, as NRCS is voluntary. NRCS and SCWD may inform ODA of their work and thus help ODA make decisions for future strategic implementation areas (SIAs).

A question was asked about field office staffing. Ron said that there are on average two staff per office. Ron did speak to the fact that retention has been difficult with the younger staff.

Tyson commented that there has been an increase in both type and number of weeds with the implementation of some of the conservation programs. Conservation habitat has not been actively managed like it was when it was in production.

Board recessed at 10:08 AM. The meeting was called back to order 10:43 AM.

Subcommittee Reports

Government relations: Tracey reminded board members to turn in their portion of the board report to Kathryn. The committee also reviewed the recommendations for the board report. A cannabis update was also received. As for the Cannabis Best Practices Task Force, the task force recently completed their report. ODA was part of this task force. Recommendations for the report included education and outreach for cannabis cultivators, a voluntary certification program, support additional

research, and examination of Oregon Water Resource's ground water exemption. As for hemp, it is harvest time. ODA is conducting pre-harvest sampling. The testing is to ensure that the hemp is at the appropriate THC level. There are about 75 registered growers. There was a question about the location as to where hemp is being grown. It is scattered across the state with about 50 percent of it being grown the Willamette Valley. ODA is licensing the sanitation aspect of cannabis food processors and retail outlets. Cannabis firms were required to be licensed by October 1 however; it was extended to January 1, 2017. ODA also has a pesticide guide list was developed for cultivators. The committee also received an update regarding the Resource Education and Agricultural Leadership (REAL) Oregon Program. The program is seeking 501(c)(3) status and at that point in time a board of directors will be governing the program and the steering committee will dissolve. There was also a discussion about cost of the program. Finally, Deputy Director Hanson reported on the changes in the Governor's Natural Resource Policy Advisors. With this change, some of the governor's initiatives will fall to the agencies. ODA will be the lead for the Clean Water Partnership.

Director Coba also added that the Governor's Natural Resource Policy Area has been heavily staffed due to the complexity of the issues. Director Coba reported that in the education policy area, there is only one policy advisor.

Land use: Laura reported that the committee met with Tamara Mabbott, Umatilla County Planning Director, to discuss Umatilla's experience with siting energy facilities. The Yamhill SWCD also wrote a letter to the Oregon Association of Conservation Commissions expressing concern about the siting of solar facilities. The Yamhill SWCD is looking for technical assistance to address the issue of siting solar facilities on high value farmland. Jim reported that solar facilities are land dependent, not soil dependent. Solar companies are currently recruiting locations for facilities and state law allows for these facilities to be sited on high value farm land if it is on a parcel of land that is 12 acres or smaller. Solar companies are getting around the issues of siting on high value farmland by siting a number of smaller facilities next to each other versus one large facility. With this approach, there is concern about the cumulative impact on farmland.

The land use subcommittee recommended to the board that (1) the board consider sending a letter to the Land Conservation and Development Commission requesting that they add reviewing the rules for the siting of solar facilities and its cumulative impact to high value agricultural land to their work plan and (2) ODA send a letter to Oregon Department of Land Conservation and Development asking for the same consideration.

Jim will also develop a white paper that will address the energy facility siting issues in general. This white paper could lead to a resolution for the board.

Tracey Liskey motioned to accept the land use subcommittee recommendations. Barbara Boyer seconded. Motion passed unanimously.

Jim also spoke about short-term vacation rentals. This is a hot topic for Hood River and Sauvie Island. Vacationers are complaining about regional agriculture in the area. This relates to the bigger question regarding agri-tourism. Jim also reported that he is spending a lot of time on right to farm and how it relates to cannabis community. The cannabis community feels that they are being discriminated against. Finally, Jim reported that cities are acquiring agricultural land to take advantage of the water rights associated with it. Without the infrastructure for agriculture, it will impact the base. There was a discussion about water rights and water use.

Food safety and marketing: Laura reported that the committee received an update from the marketing program. There was a lot of discussion about the crop up dinners. The committee also received an update from the Specialty Crop Block Grant Program and the associated projects. Terry Fasel and the marketing staff have been doing outreach across the state. Staff has been divided into geographical areas so there are contact people for each region. There was also an update on the Food and Beverage Road Map. This effort could lead to investment into food and beverage processing similar to the investment that was made in timber processing during the last legislative session. The Governor's Office has been engaged in this process. Laura reported that the black leg rules are complete. The focus is on outreach and awareness. It will be important to get the information out to brassica growers. The rule gives ODA authority to address a grower that is spreading disease. Casey provided information about the FSMA grant. Oregon will receive \$3.5 million over five years. ODA has the ability to apply again next year for another grant if the state decides to play a role in implementation.

Director Coba explained how the FDA allotted money for the grant. The FSMA discussion continued. There was much discussion about engagement with those who have not been traditional customers of ODA. Luisa spoke about the grant that she is working on that would assist the underserved farming community. The discussion also focused on training, education, and outreach.

Deputy Director Hanson proposed developing a department advisory committee to provide ODA assistance in terms of developing an outreach and education strategy to those that ODA has not traditionally served in the past. Casey also spoke about Arizona's work to develop simple FSMA outreach materials to agricultural workers. There was a discussion about how education materials are delivered. Finally, Director Coba reported that the FDA deputy administrator will be coming to the region at the end of the month. If board members are interested in participating, please contact Stephanie Page.

Natural resources: There is a Japanese beetle outbreak in the southwest corner of Forest Park. It will be a five-year eradication effort. It is important to control this pest, as it will impact the agricultural sector. Ray spoke about the proposed

treatment plan. Since this eradication program had been previously cut, eradication is more expensive.

Ray spoke about the SIAs. There are currently seven SIAs and four more have been identified including Hood River, Umatilla, Jackson, and Marion. Two other areas have been identified and are currently being negotiated. With the addition of the Focus Areas, the impact of the agricultural water quality work is larger than just the SIAs.

ODA also met with stakeholders this summer to discuss selection criteria for SIAs. This group did not make changes to the criteria as this time.

There was a request from the board to have a presentation about the OWEB funds used for technical assistance. Ray recommended that it would be best to review the investments at the end of the biennium.

In preparing for the meeting, water quality resolutions were reviewed. Recording errors were identified. Past board minutes were reviewed to help resolve the problem. The subcommittee made the following recommendations to correct the recording errors:

Resolution #276 – Should be listed as inactive, Notes section should include a reference that Resolution #276 was replaced by Resolution #280.

Resolution #280 – Notes section should reference Resolution #276, not Resolution #273.

Resolution #299 – Should be listed as active. Notes section should be modified such that Resolution #276 (not Resolution #273) was replaced.

Reference to Resolution #310 should be deleted as this references a resolution related to agri-tourism siting.

Stephanie Hallock moved to approve the recommendations that were provided by the natural resource subcommittee to address the matter related to the resolutions. Tracey Liskey seconded. Motion passed unanimously.

It was recommended to create new resolution books for board. There was a discussion regarding reviewing resolutions. It was recommended to have each committee review active and inactive resolutions and make recommendations to the full board. In addition, it was suggested that old resolutions might want to be readopted, as the resolution background may need to be revised.

Sharon spoke about the John Day Focused Investment Project (FIP). She attended the recent meeting and was the only landowner in the group. Sharon expressed concerned the funds are not being used for on the ground improvements. It was suggested to invite Meta to the next natural resources subcommittee meeting to talk FIP.

There was continued discussion on this matter. Sharon was surprised that ODA signed a memorandum of understanding related to this project. The board requested that if there was significant activity pertaining to the department occurring in a board member's area, to please inform the board member of this matter.

Finally, Ray distributed a handout relating to worker protection standards.

OWEB: Laura reported that in addition to the Oregon Agricultural Heritage Program, grant projects are on going. FIP is taking a hiatus to even out the funding.

Environmental Quality Commission (EQC) Liaison: Stephanie reported that she attended the EQC meeting this summer. They discussed POPs and LCs, much of which focuses on infrastructure investment.

The next State Board of Agriculture meeting will be held on November 29 to December 1, 2016 in Wilsonville.

Future meeting dates and locations are as follows:

Feb 15 – 17, 2017, Salem

May 10 – 12, 2017, Salem

September 6 – 8, 2017, Klamath Falls

Meeting adjourned at 12:33 PM.