OREGON DEPARTMENT OF AGRICULTURE

2017-19 Governor's Budget Presentation

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Appendices

OREGON DEPARTMENT OF AGRICULTURE
2017-19 GOVERNOR'S BUDGET

Ways and Means Subcommittee
on Natural Resources

KEY TAKE-HOME MESSAGES

- Achieve goals and desired outcomes through technical expertise and strong relationships with partners.
- Fulfill unique niches – regulatory, fee-for-service, technical assistance, marketing – to accomplish desired outcomes.
- Adapt to agricultural, food, and customer trends and market demands.
- Long-term stable funding will help ODA to achieve desired outcomes.

MISSION AND CORE VALUES

Three-fold mission

- Ensure food safety and provide consumer protection
- Protect the natural resource base for present and future generations of farmers and ranchers
- Promote economic development and expand marketing opportunities for Oregon agricultural products

Core values

- Honesty, integrity, and fairness
- Technical and professional competence
- Respect for people and property
- Practical approaches to problem solving
- Quality customer service

OREGON AGRICULTURE OVERVIEW

- 35,439 farms and ranches
  - ~97% of farms in Oregon are family-owned
  - ~2% of farms are in organic production with approximately 4% of the total farm sales
  - 39% of Oregon farmers are women
  - 225 agricultural commodities
- Provides 13.8 percent of full or part-time jobs in Oregon
- ~$5 billion farm gate value
- $50.2 billion total economic foot-print

Sources: 2012 Census of Agriculture, USDA NASS (2014); Oregon Agriculture, Food and Fiber: An Economic Analysis (2015)

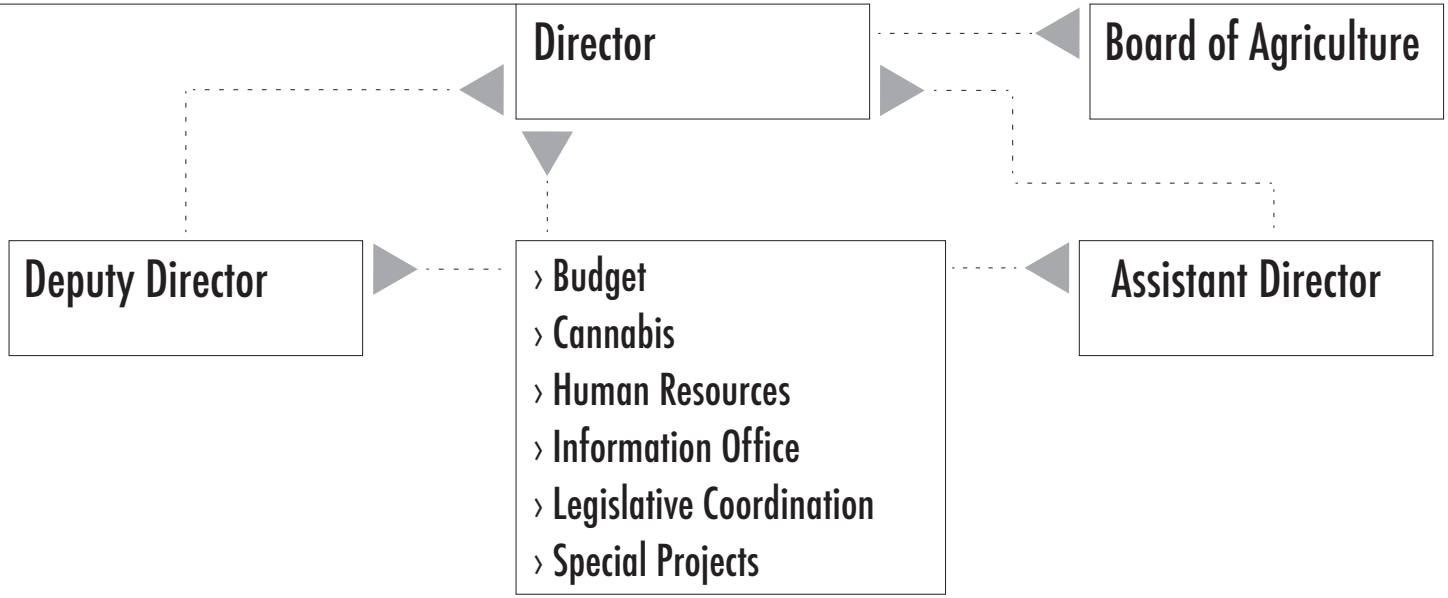
Oregon's top 20 commodities

Based on data and estimates from National Agricultural Statistics Service, Oregon Department of Agriculture, Oregon State University, and the Oregon Department of Fish & Wildlife. See more stats online: bit.do/FactsFigures

PROGRAM AREAS

What we do
Desired program goals
How we achieve desired outcomes

Agency Working Organizational Chart

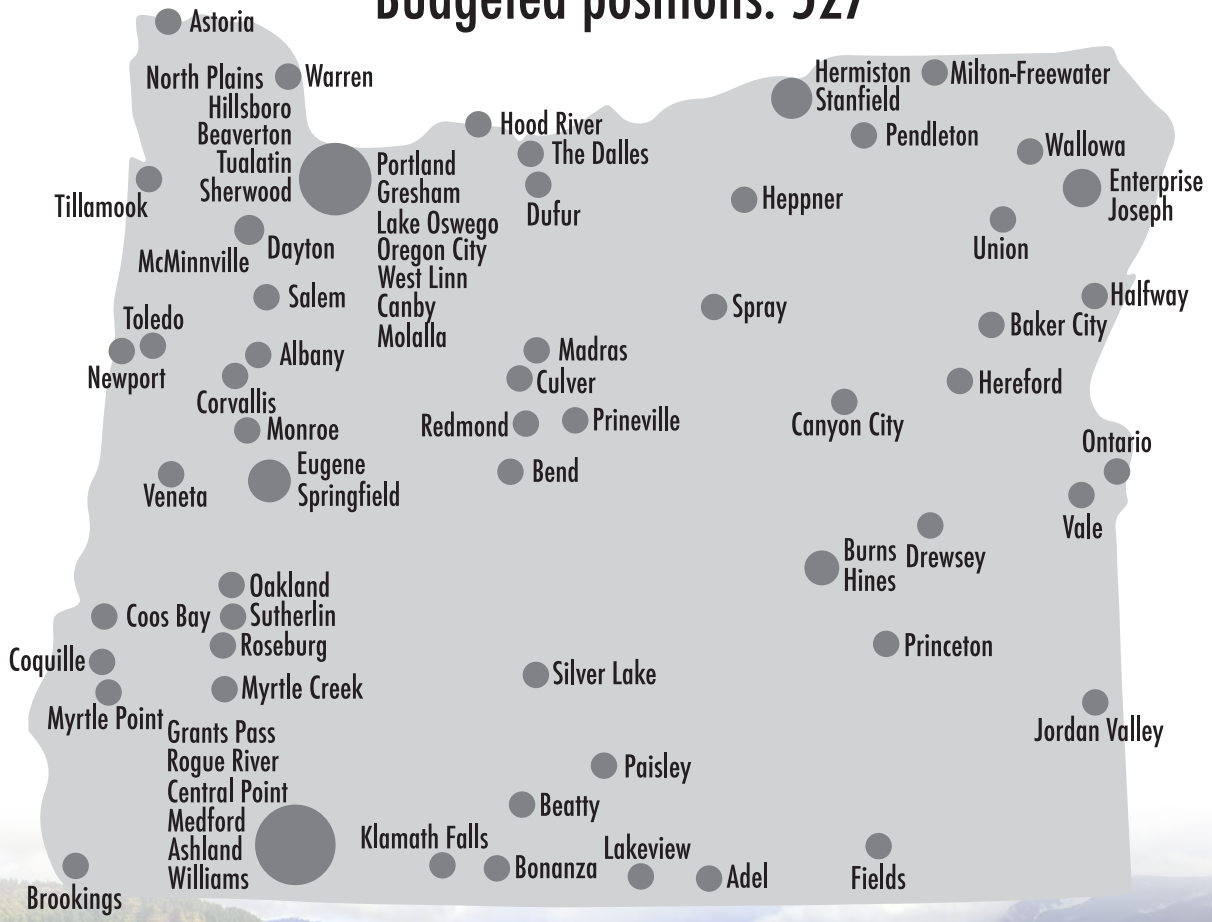


Market Access & Certification Programs	Food Safety & Animal Health Programs	Natural Resource Programs	Plant Protection & Conservation Programs	Internal Service & Consumer Protection Programs
› Agricultural Development & Marketing	› Animal Health & Lab	› Agricultural Water Quality	› Insect Pest Prevention & Management	› Egg Laying Hens
› Certification Services	› Animal Identification	› Confined Animal Feeding Operations	› Noxious Weed Program	› Laboratory Services
› Commodity Commissions Oversight	› Commercial Animal Feeds	› GIS Mapping	› Nursery & Christmas Tree Program	› Metrology Lab
› Commodity Inspection	› Food Safety	› Land Use	› Nursery Research Grant Program	› Motor Fuel Quality
› Farm to School Program	› Shellfish Biotoxin Testing	› Pesticide Analytical & Response Center	› Native Plant Conservation	› Weights & Measures
› Industrial Hemp	› Shellfish Plat Leasing	› Pesticide & Fertilizer Programs		› Wolf Compensation
› Plant Health Lab	› State Veterinarian	› Smoke Management		
› Seed Program		› Soil & Water Conservation Districts Program		
› Shipping Point Inspection				
› Specialty Crop Block Grant Program				

ODA Staff by Location

ODA provides services across the state with field staff based in strategic geographic locations.

Budgeted positions: 527



Note: Larger circles reflect multiple cities in the region, not quantity of employees.

MARKET ACCESS & CERTIFICATION PROGRAM SERVICES

Assist Oregon's agricultural producers, processors and fishers in their efforts to successfully sell and ship products to local, domestic, and international markets

MARKET ACCESS & CERTIFICATION PROGRAM GOALS

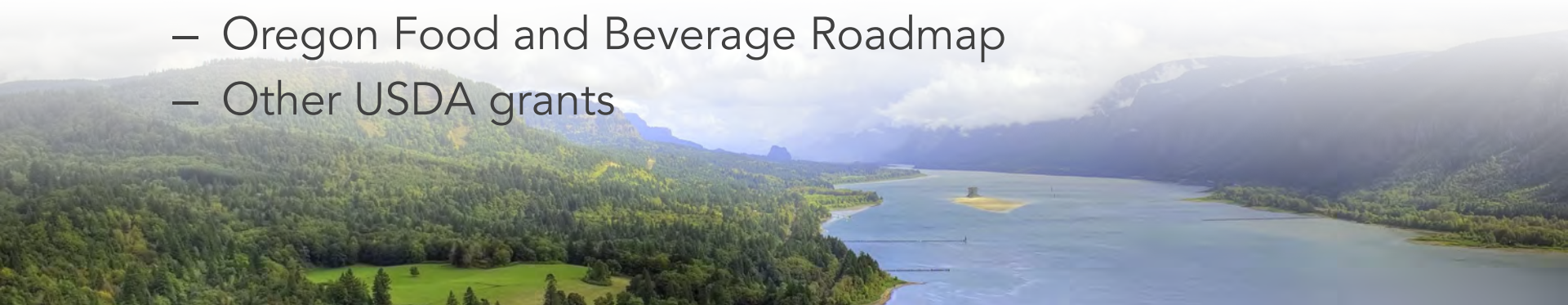
- Increase economic viability of Oregon's agricultural and food sector by:
  - Supporting local, domestic, and international business needs of local companies
- Inspecting, auditing, and certifying Oregon agricultural products to meet marketplace expectations

LOCAL MARKET SUPPORT

- Food Corps
- Oregon School Nutrition Association Trade Show
- School gardens
- Pilot state for USDA Unprocessed Fruit and Vegetable Program
- Celebrate Oregon Agriculture campaign
- Administer USDA grants
  - Specialty Crop Block Grant Program
  - National Organic Cost Share Reimbursement Program
  - Farm Direct Nutrition Program

DOMESTIC MARKET SUPPORT

- Created opportunities through:
  - Natural Products Expo West with Team Oregon
  - Produce Marketing Association Fresh Summit
  - NW Food and Beverage Expo (2017)
- Support recruitment efforts, expansion, and market development for Oregon companies by assisting with identifying grant opportunities, technical assistance, etc..
  - Machinery and Equipment Certification
  - Value added producer grants
  - Oregon Food and Beverage Roadmap
  - Other USDA grants



INTERNATIONAL MARKET SUPPORT

- Work directly with foreign governments to resolve trade barriers for Oregon products
- Work to identify opportunities that fit Oregon's agricultural and food sector by market based on country demographics
- Work with transportation providers to get Oregon products to market

INSPECTIONS, AUDITS & CERTIFICATIONS

- Provide voluntary, third-party verification and certification services
  - National Organic Program
  - Global Food Safety Initiative
  - Weed Free Forage
  - Phytosanitary certificates
  - Certificates of free-sale
  - Third-party grading
  - Seed sampling for export
  - Good Agricultural and Good Handling Practices
- Developed and offer official ODA sampling and testing on products to meet market demand
- Developed, implemented and administer a hemp program
  - Register hemp growers and handlers

FOOD SAFETY & ANIMAL HEALTH PROGRAM SERVICES

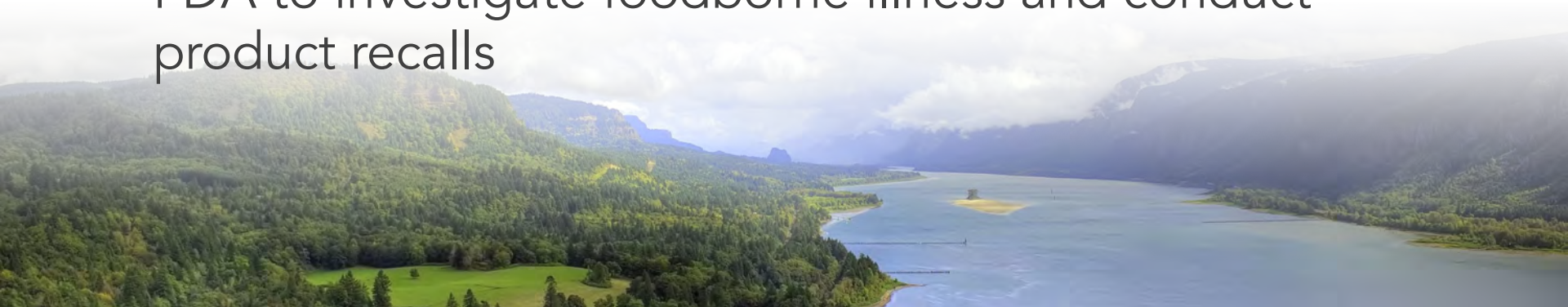
Inspects many facets of Oregon's food production and distribution system (except restaurants) to ensure food is safe for consumption, protect and maintain animal health, ensure animal feeds meet nutritional and labeling standards, and prevent livestock theft.

FOOD SAFETY & ANIMAL HEALTH PROGRAM AREA GOALS

- Assure a safe, wholesome, and properly labeled food product supply through technical assistance and regulation
- Prevent, control, and eliminate diseases harmful to livestock, poultry, and humans
- Provide livestock identification services
- Regulate sale and distribution of commercial feeds

SERVICES FOR A PROTECTED FOOD SUPPLY

- Inspect and license food processors and retail food establishments to ensure sanitary conditions
  - "Risk based" inspection program
- Provide technical assistance to start-up food companies to ensure compliance with food safety regulations and guidelines
  - Newest business sector: cannabis
- Coordinate with the Oregon Health Authority and the FDA to investigate foodborne illness and conduct product recalls



SERVICES FOR A PROTECTED FOOD SUPPLY (CONT'D)

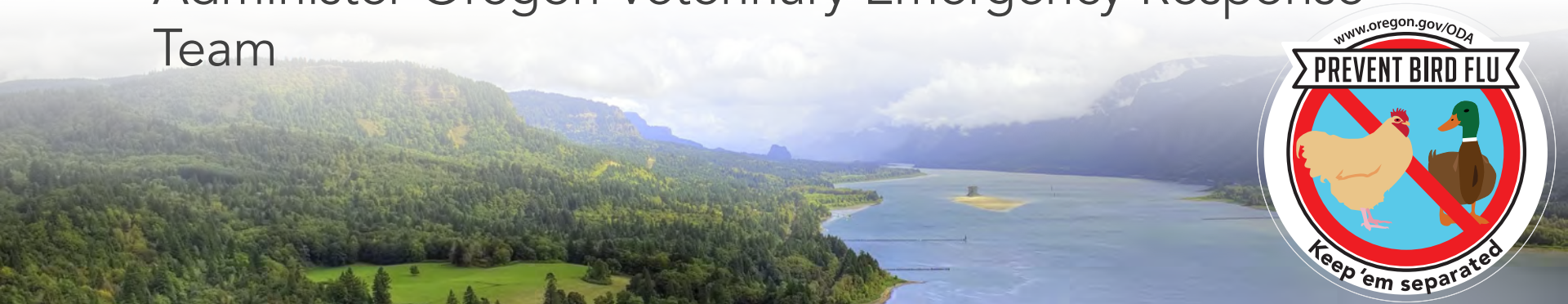
- Operate surveillance and testing programs for dairy products and shellfish to allow for interstate and international shipment
- Work with Oregon's farmers and food sector to prepare for the Food Safety Modernization Act (FSMA)
  - Engaged in national policy discussions and work with Oregon stakeholders on implementation

FOOD SAFETY PROGRAM SOS AUDIT

- Performance audit results
  - Time is spent on duties not related to inspections (e.g. training, answering customer questions)
  - Contract federal inspections are more time consuming than routine state inspections
  - Involvement with the federal Manufactured Food Regulatory Program Standards results in less time available for routine state inspection
  - Increased number of firms has created a backlog
- ODA is developing a strategic response to address the recommendations

PREVENT, CONTROL, AND ELIMINATE ANIMAL DISEASE

- Track interstate health and movement of livestock and poultry to prevent disease outbreaks in Oregon
  - Launched new database to facilitate traceability
- ODA State Veterinarian partners to identify emerging disease risks and implement strategies to maintain Oregon's disease free status
- ODA Animal Health Laboratory partners with other laboratories to complete diagnostic work
- Administer Oregon Veterinary Emergency Response Team



LIVESTOCK IDENTIFICATION SERVICES

- Provide livestock identification services
  - Register approximately 11,000 brands
- Inspect over one million cattle at the point of sale
  - Country inspections
  - Livestock auction markets
- Assist law enforcement with theft investigations

COMMERCIAL FEED SERVICES

- Provide consumer protection
  - License and inspect commercial animal feeds
  - License facilities that manufacture, wholesale, or register commercial animal feeds
  - Investigate possible cases of illness associated with feeds
  - Provide technical assistance regarding the manufacturing, sales and distribution of commercial feed
- Participate in national policy animal feed discussions
  - Association of American Feed Control Officials

PLANT PROTECTION & CONSERVATION PROGRAMS

Protect Oregon's agricultural industries and natural resources from harmful invasive plant pests and noxious weeds; enhance value and marketability of exported nursery stock, Christmas trees, seeds and other agricultural products; and further the conservation of threatened and endangered plants.

PLANT PROTECTION & CONSERVATION PROGRAM GOALS

- Protect agricultural and natural resources by preventing the introduction of invasive species (pests, plant diseases, and weeds) through early detection
- Rapid response to invasive species
- Promote and enhance agricultural market access
- Protect threatened and endangered native plants

PREVENT INVASIVE SPECIES

- Adopt and enforce plant protection quarantines
- Focus on early detection
  - Installed over 16,000 traps with 300 remote controlled traps
  - 23 Invasive Pests surveys
  - 337 Invasive Noxious weed surveys
- Maintain the noxious weed list and “100-Worst List”
  - Helps prioritize statewide noxious weed control

RAPID AND EFFECTIVE RESPONSE

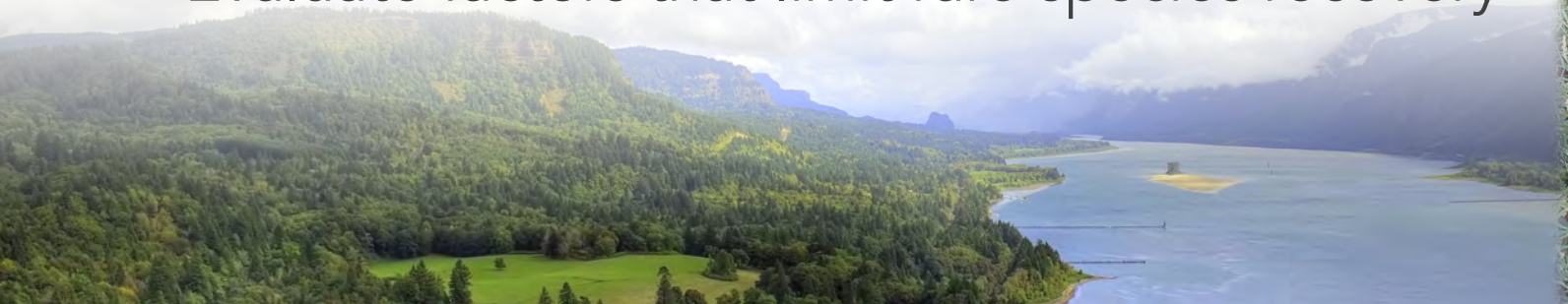
- Completed Asian gypsy moth eradication in NW Portland
- Detected largest Japanese beetle infestation in Oregon's 70+ years history in NW Portland
- Detected light brown apple moth in Polk County
- Use biocontrol measures when possible:
  - Released 77 species of biological agents against 31 species of noxious weeds since the program's inception
  - Testing parasitic wasp for release against brown marmorated stink bug
  - Released natural enemies against ash white fly and other pests
- Utilize Scanning Electron Microscopy to allow for rapid insect identification

CERTIFYING PLANT PRODUCTS AS DISEASE AND PEST FREE

- Help secure domestic and international market access
- New inspection and certification techniques for nursery products and Christmas trees
- Collaborated on the publication of "*Best Management Practices for Christmas Tree Export*"
- Use polymerase chain reaction (PCR) to genetically identify Christmas tree invasives

PROTECTING RARE PLANTS

- Collaborate with agencies, organizations, businesses, and individuals to conserve Oregon's rich native plant diversity
- Develop methods to protect, recover and reintroduce threatened and endangered plants
  - Crater Lake-Klamath Falls Regional Airport Applegate's milkvetch
  - Collected seedlings of the extremely rare Columbia yellowcress for cultivation
- Evaluate factors that limit rare species recovery



NATURAL RESOURCE PROGRAMS

Addresses water quality and natural resource conservation on agricultural lands, appropriate use of pesticides, labeling and sale of fertilizer, and field burning in the Willamette Valley.

NATURAL RESOURCE PROGRAM GOALS

- Prevent pollution from agricultural activities and protect water quality
- Regulate sale, distribution, and use of pesticide and fertilizer products
- Protect Oregon agricultural land use so future generations can continue to farm
- Assure adequate water is available

WATER QUANTITY AND QUALITY SERVICES

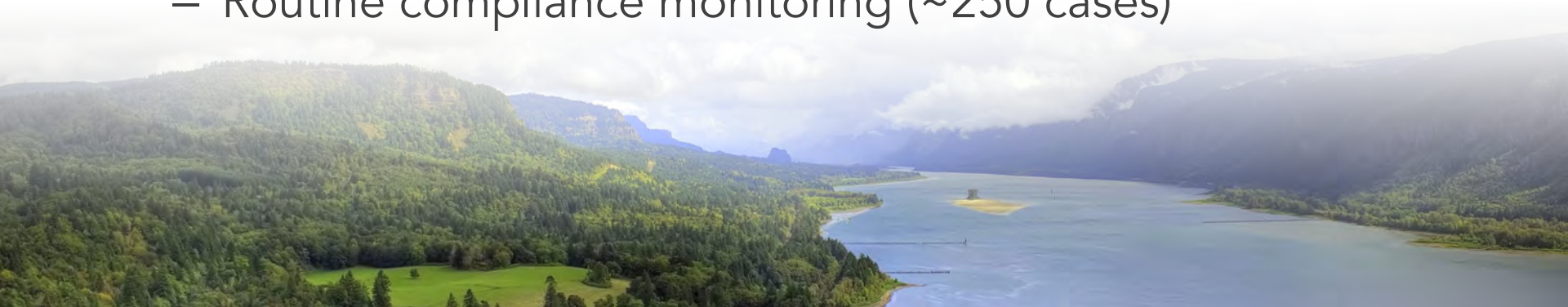
- Develop and implement plans to prevent run-off from agricultural lands with coordination from DEQ, ODF, OWEB, ODFW, and other natural resource partners
  - Identified and adopted Strategic Implementation Initiative to assist in quantifying improvements
- Work with 45 Soil and Water Conservation Districts to provide local level, site specific solutions to protect Oregon's environment and economy

WATER QUANTITY AND QUALITY SERVICES (CONT'D)

- Work with DEQ to develop and issue confined animal feeding operation permits
- Conduct inspections on permitted animal operations to assess compliance with state water quality regulations
- Represent needs of agriculture to satisfy demands for water quantity

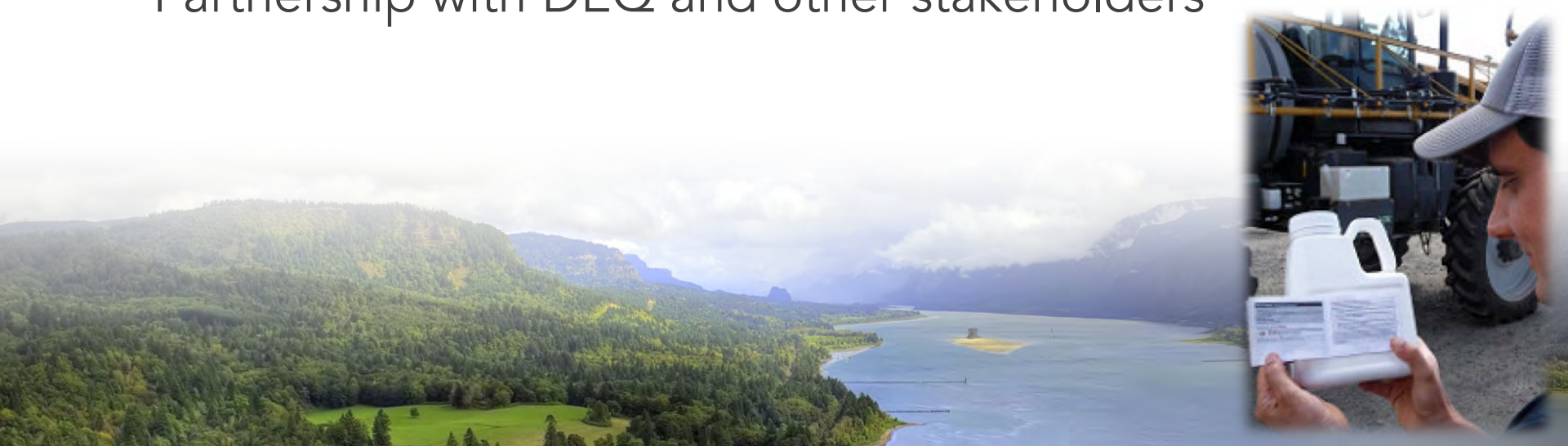
PESTICIDE PROGRAM SERVICES

- Register and license 12,000 pesticide products
- License 13,000 commercial pesticide applicators, operators, and pesticide dealers
- Provide education and outreach to train public and licensed users
- Conduct on-site pesticide investigations ~ 500 cases annually
  - Complaint generated (~250 cases)
  - Routine compliance monitoring (~250 cases)



PESTICIDE PROGRAM SERVICES (CONT'D)

- Provide public support/services (as it relates to pesticides)
  - Pesticide Analytical and Response Center (PARC)
  - 24 hour reporting hotline (2-1-1)
  - Citizen advocate
- Continued implementation of the Pesticide Stewardship Partnership with DEQ and other stakeholders



FERTILIZER PROGRAM SERVICES

- Register 10,500 fertilizer, soil, minerals, soil amendments, and lime products
- License 150 fertilizer manufacturers, and distributors

PROTECTING AGRICULTURAL LAND

- Advocate for the protection of agricultural land-use and common and accepted farm practices
- Advocate for agricultural and rural communities before authorizing non-farm uses on farm land

INTERNAL SERVICES & CONSUMER PROTECTION PROGRAMS

Provides consumer protection, ensures fair competition among businesses, facilitates interstate commerce and international trade, and administers special programs.

INTERNAL SERVICES AND CONSUMER PROTECTION PROGRAM GOALS

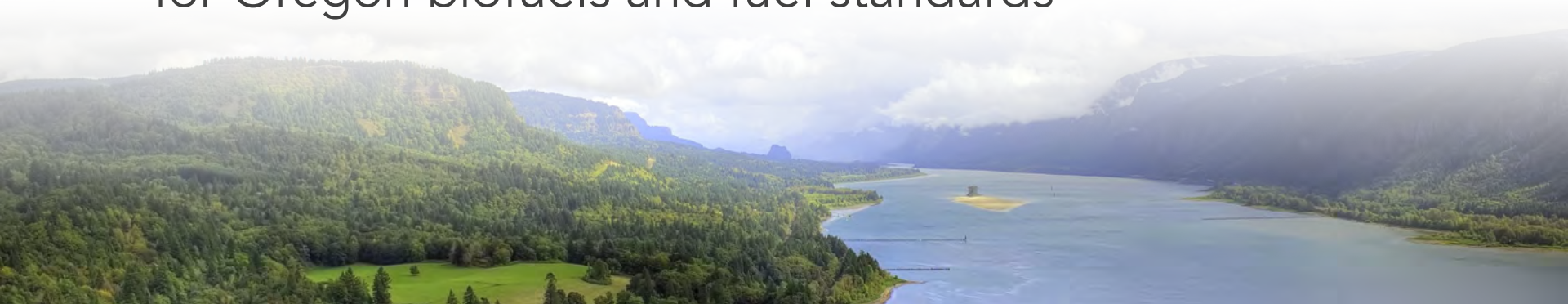
- Ensure the accuracy, validity, uniformity, and confidence in Oregon's Commercial Weighing System
- Ensure motor fuels sold in Oregon meet national quality standards
- Provide safe, accurate, timely, and cost-effective laboratory analysis and technical support to ODA's regulatory programs and other local, state, and federal agencies
- Provide analytical and technical support for moving value-added food products to domestic and foreign markets

CONFIDENCE FOR OREGON'S COMMERCIAL WEIGHING SYSTEM

- ODA Metrology Lab
  - Maintains state standards for weight and volume
  - Achieved the highest accreditation from the National Institute of Standards and Technology (NIST) – Echelon One
  - Provide calibration services to Oregon businesses
- Check scales and meters to ensure accuracy and uniformity when commercial transactions are based on physical measurement
- Keep Oregon's high-tech companies competitive with precision measurement calibration services to the highest international standards (ISO)

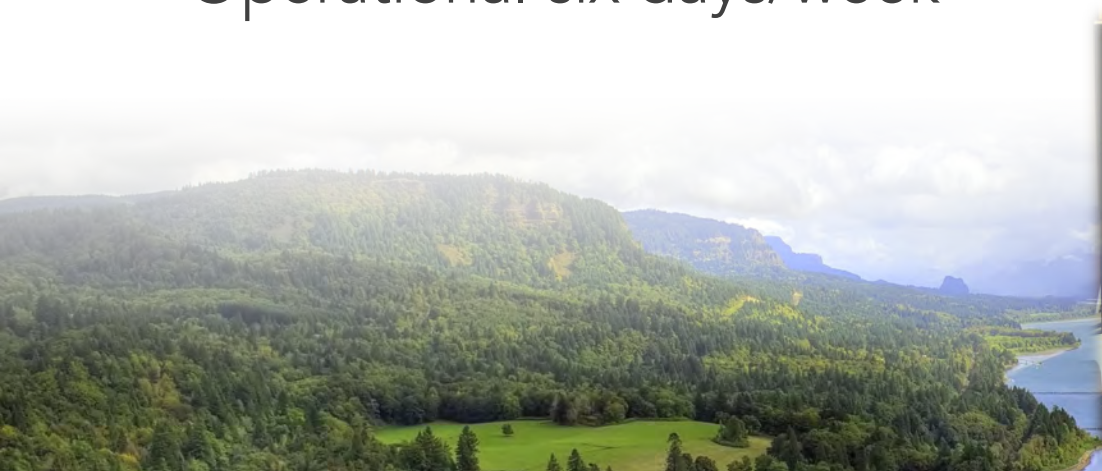
ENSURING MOTOR FUEL STANDARDS

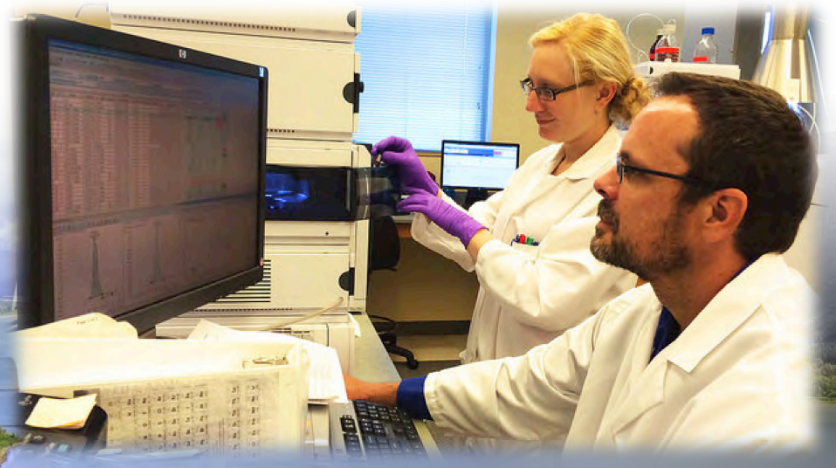
- Test motor fuel to prevent distribution of poor quality fuels
  - 3,500 field screenings of fuel/year
  - 120 official samples sent to private lab and tested/year
  - 3,700 fuel storage tanks tested for water/sediment/year
- Participate in national policy discussions regarding quality standards of biofuels and motor fuels
- Respond to consumer complaints and industry questions for Oregon biofuels and fuel standards



REGULATORY LAB SERVICES

- Support ODA's regulatory functions with official state testing services
  - Provide laboratory analysis of samples collected during agency investigations such as pesticide residues, water quality, fertilizer analysis, shellfish, cannabis, etc…
- Obtained ISO accreditation from the American Association for Laboratory Accreditation
- Operational six days/week





REGULATORY LAB SERVICES (CONT'D)

- Recognized and approved by the governments of Japan, Korea, and Taiwan to provide pre-shipment inspection, label review, and testing for export food and agricultural products
- Offering analytical service increases the competitiveness of Oregon businesses and products in export markets
- Working to implement a new Laboratory Information Management Service

OTHER PROGRAM SERVICE

- Begin inspection program for egg-laying hen cage size
  - SB 805 (2011)
- Work to ensure imported eggs are compliant with egg-laying hen cage size standards

ADMINISTRATION & SUPPORT SERVICES

Manages executive functions of the agency and provides critical core infrastructure and technical support for agency programs and customers.

ADMINISTRATION & SUPPORT SERVICES GOALS

- Strive for continuous improvement within the agency to gain efficiencies
- Identify coordination among ODA programs for better delivery of core business functions and enhanced customer service.
- Continue to work collaboratively with Oregon natural resource agencies, industry partners, interest groups, other states and federal partners to achieve positive outcomes.

COLLABORATIVE COORDINATION

- Help implement and pave the way for statewide coordination for key initiatives
  - Cannabis policy, Sage grouse, Food and Beverage Roadmap
- Coordinate with sister agencies on natural resource policy issues
- Provide a safe harbor for growers/fishermen and dealers/ processors to negotiate price
- Administer the Wolf Depredation Compensation and Financial Assistance County Grant Program
- Administer a farm mediation program

AGENCY PERFORMANCE

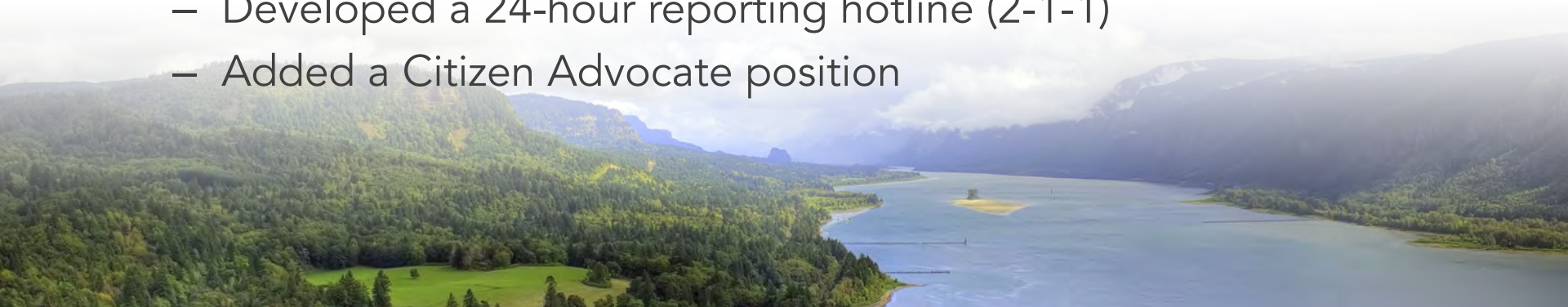
Key Performance Measures
Customer Service Survey
Accomplishments and Improvements
Challenges

2016 KEY PERFORMANCE MEASURE SUMMARY

- 5 Key Performance Measures are meeting or exceeding targets
  - KPM No. 2,3,5,10, and 11
- 6 Key Performance Measures are not meeting targets
  - KPM No. 1, 4, 6, 7, 12, and 13
- 2 Key Performance Measures – data not yet available
  - KPM No. 8 and 9

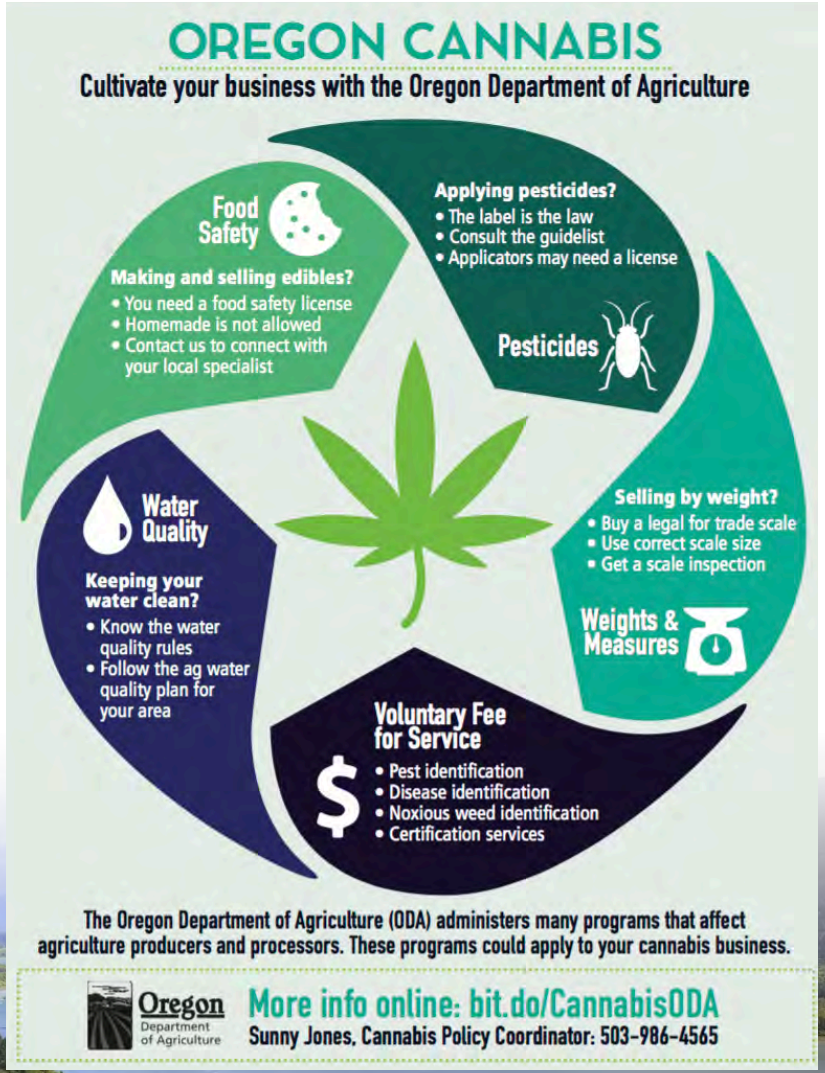
ACCOMPLISHMENTS & IMPROVEMENTS

- Completed the state's second largest Asian gypsy moth eradication in the Portland area
- Regulatory lab achieved ISO17025:2005 accreditation granted by the American Association for Laboratory Accreditation
- Metrology lab achieved no non-conformances from the National Voluntary Laboratory Accreditation Program
- Enhanced Pesticide Program customer service features
  - Added an online pesticide use complaint reporting option
  - Developed a 24-hour reporting hotline (2-1-1)
  - Added a Citizen Advocate position



ACCOMPLISHMENTS & IMPROVEMENTS (CONT'D)

- Cannabis
  - Integration
    - Marijuana
  - Implementation
    - Hemp
  - Coordination
    - State wide agency coordination
      - OHA, OLCC, ODA
    - Attend stakeholder events as invited
    - Started coordination with western states



ACCOMPLISHMENTS & IMPROVEMENTS (CONT'D)

- Added six new water quality Strategic Implementation Areas
- Implemented a pilot monitoring project in Tillamook Bay to determine if shellfish closure events can be more targeted
- Developed and hosted first Specialty Crop Block Grant Program National Conference in Portland
- Received approval from USDA to conduct organic livestock certifications
- Developed an Avian Influenza educational initiative

ACCOMPLISHMENTS & IMPROVEMENTS (CONT'D)

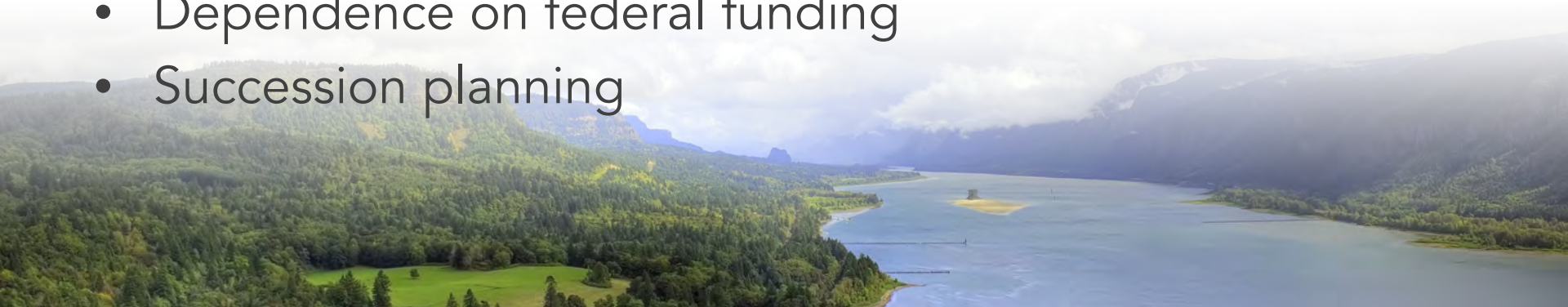
- State Controller Gold Star Certificates for ODA and Commodity Commissions
- Enhanced online license renewal system
  - Added voucher payment option
  - Added brand renewals, veterinary product registrations
- Improve social media outreach/engagement
  - Continuous improvement to website
    - Migration in 2014, more mobile format
  - Increase use of social media tools to inform and engage

CHALLENGES

- Co-existence
- Complexity of issues have increased program costs
  - Investigations, outreach, and laboratory analysis
- Complexity of issues have increased legal costs
- Unanticipated costs as a result of core program work
  - Asian gypsy moth eradication (Spring 2016)
  - Japanese beetle (proposed 5 year eradication plan)
  - Light brown apple moth (proposed eradication plan)

CHALLENGES (CONT'D)

- Meeting both core program demands as well as new initiatives
  - Cannabis implementation and integration
- Public records requests
  - Increase in the number and complexity of requests
- Staff training
- Information and Technology resources
- Inefficiencies of laboratory work space
- Dependence on federal funding
- Succession planning



WHERE WE ARE GOING

Strategic Plan
Issues/Challenges for 2017-19
Plans for improving program delivery
Proposed legislation

STRATEGIC PLAN

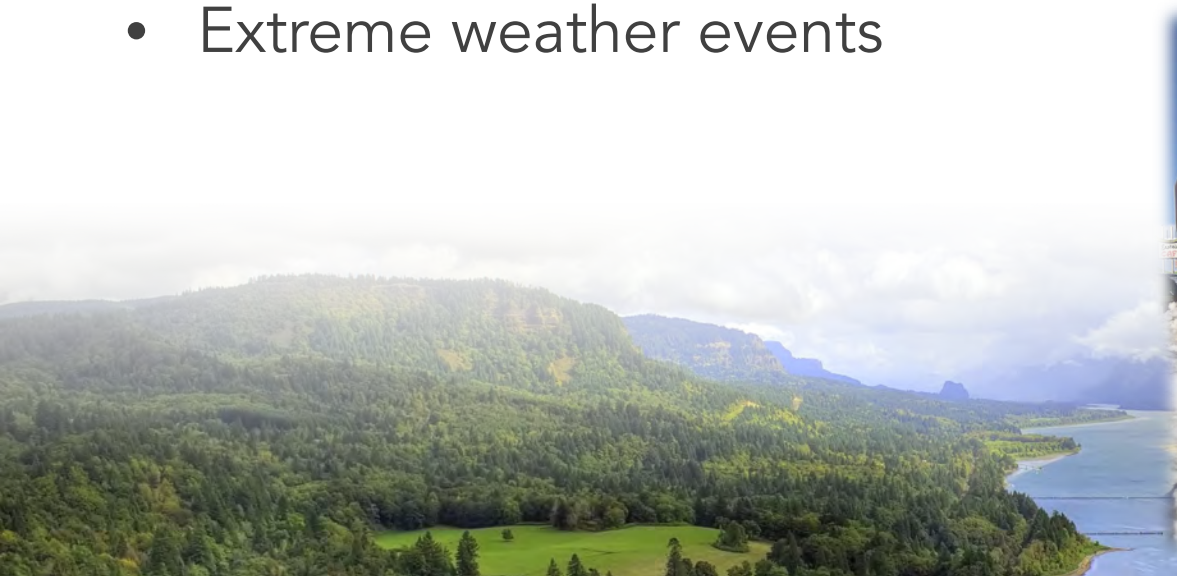
- Last plan was developed in 2003
- Started development in January 2016
- Collected feedback from staff, State Board of Agriculture, and partners
  - Over 220 individuals provided feedback
- Developing six key objectives with corresponding metrics and tactics
- Goal is to have a plan completed by Fall 2017

DRAFT KEY OBJECTIVES

- Operate as a role model organization
- Operate in a culture of compliance and support
- Embrace a culture of collaboration
- Foster employee excellence
- Strive for clear, concise, and inclusive communication
- Support the diversity of Oregon agriculture

TOP ISSUES FOR 2017-19

- Co-existence
- Cannabis (marijuana and hemp)
- Food Safety Modernization Act
- Invasive species eradication efforts
  - Japanese beetle
  - Light brown apple moth
- Extreme weather events



TOP ISSUES FOR 2017-19 (CONT'D)

- Ongoing implementation of the Strategic Water Quality Initiative
- Maintain tools for farmers and ranchers
- Support development of Pollinator Protection Plan
- Continue to work toward implementation of the Lab Information Management System
- Agency succession planning
- IT investments for greater efficiencies

TOP ISSUES FOR 2017-19 (CONT'D)

- Maintain delivery of current service levels
- Complete strategic plan
- Ensuring effective engagement and outreach to ODA customers and Oregonians
- Changing expectation of program services for public good
- Continue a culture of on-going improvement

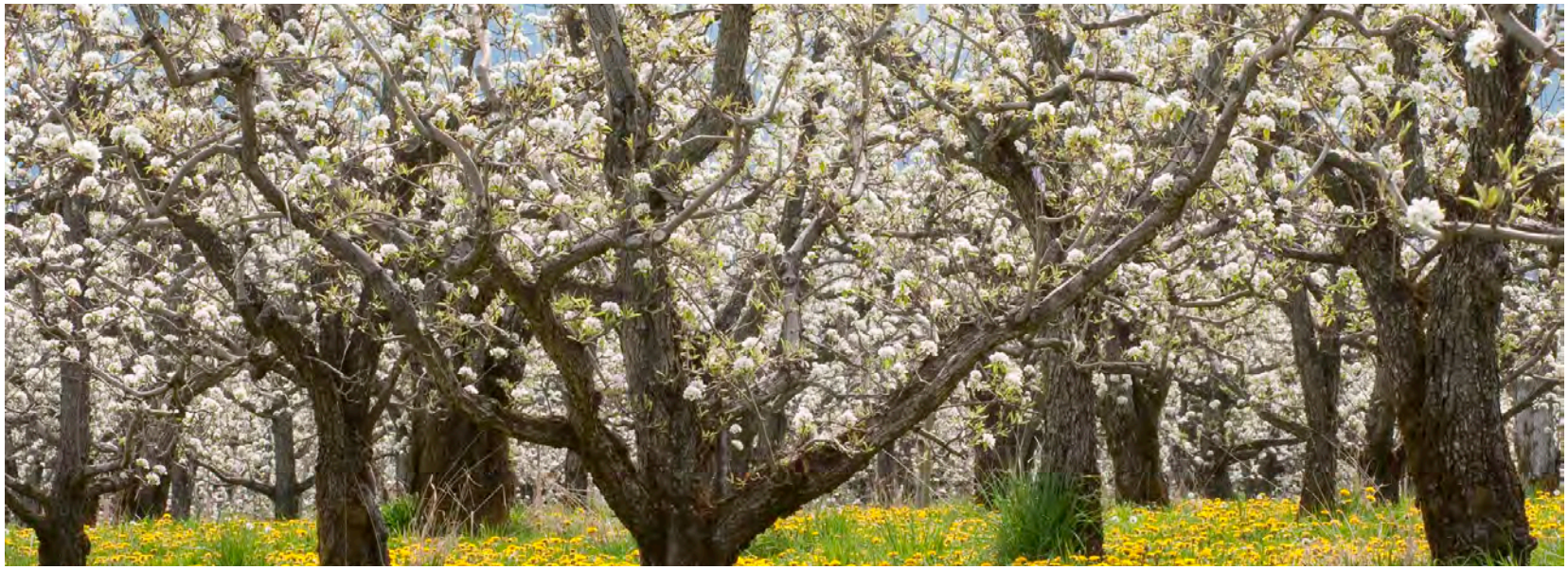
PLANS TO IMPROVE PROGRAM DELIVERY

- Increase cross utilization of program services
- Implement Secretary of State Audit recommendations for the Food Safety Program
- On-going laboratory infrastructure improvements
- Continue improvement of online payment system based on customer feedback
- Continue to make strategic IT investments to leverage efficiencies
- Use new strategies and tools to increase agency engagement

ODA LEGISLATION

- HB 2554 - Export Product (ORS 632)*
- HB 2255 - Pasteurized Milk Order (ORS 621)*
- HB 2256 - Dietary Supplements (ORS 616)*
- SB 18 - FSMA Rule Authority
- SB 19 - Fuels (ORS 646)*

*Statutory clean up



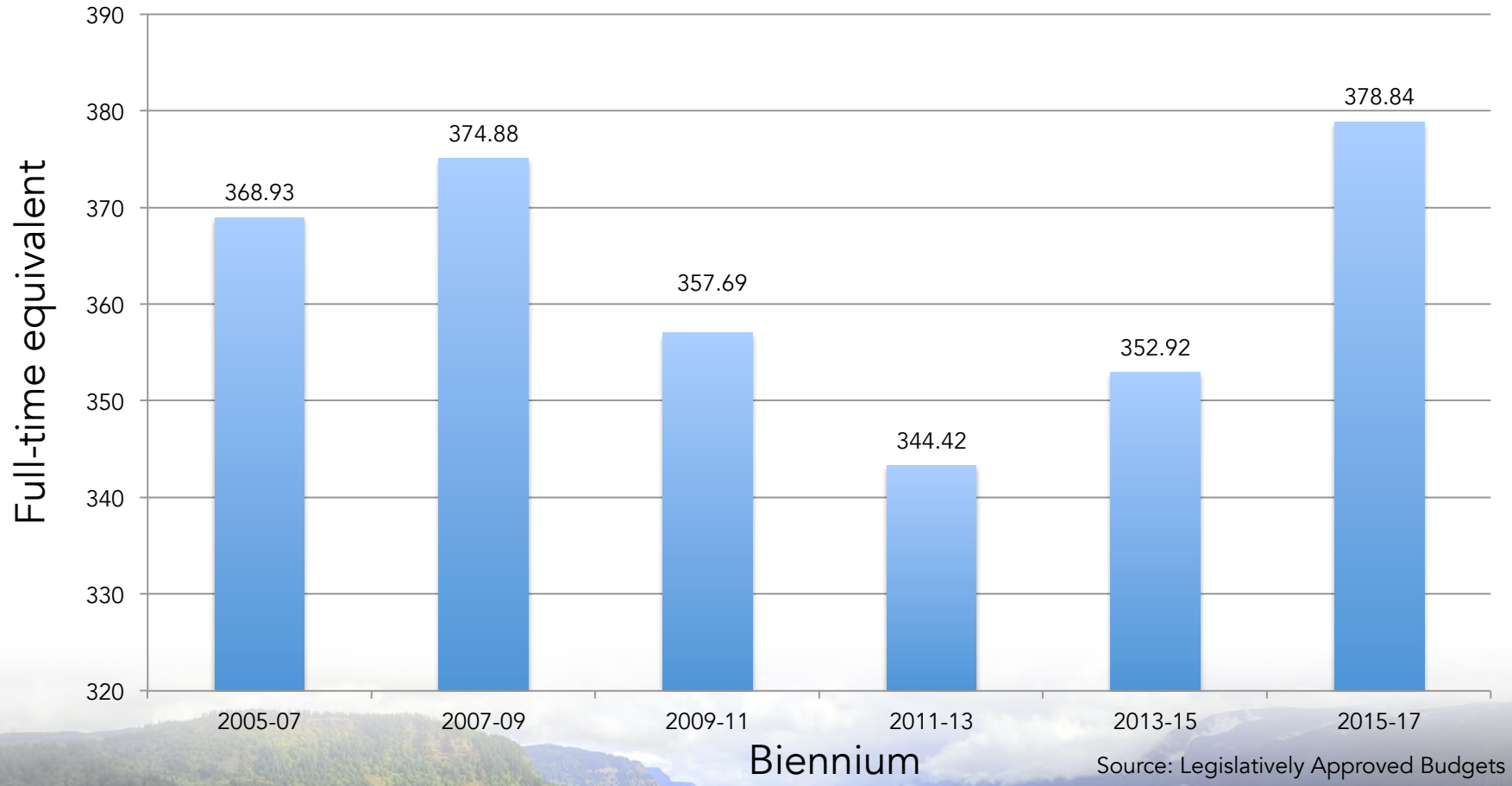
BUDGET

Governor's Budget
Fee Changes
Reduction Options

BUDGET

	2013-15 Leg Approved	2015-17 Leg Approved	2017-19 Governor's Budget
General fund	$19,460,351	$24, 613,559	$23,401,064
Lottery funds	$6,473,272	$6,491,591	$7,042,307
Other funds	$55,589,067	$62,478,730	$68,706,936
Federal funds	$15,320,730	$17,630,167	$18,250,782
Total funds	$96,843,420	$111,214,047	$117,401,089
Full-time equivalent (FTE)	352.92	378.84	391.08

ODA STAFFING



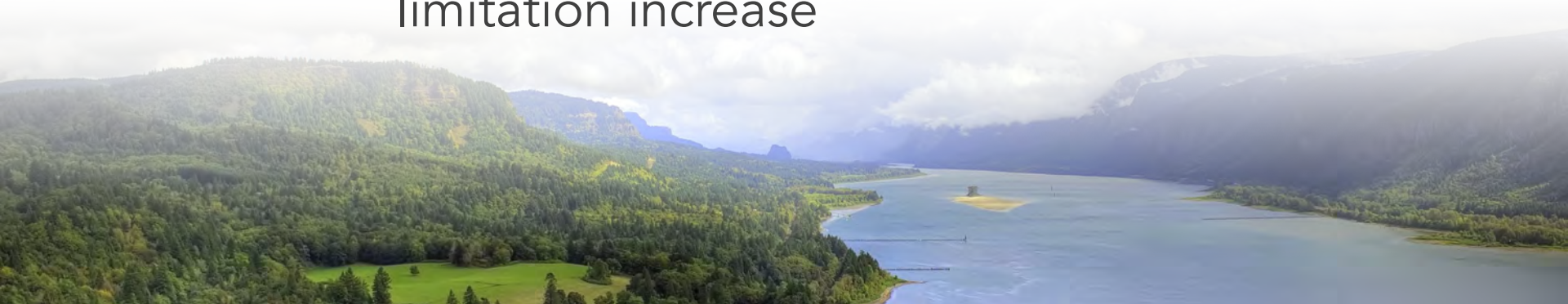
Source: Legislatively Approved Budgets

POLICY PACKAGES

- Pkg 120 - Human Resources Staffing
- Pkg 140 - Information Technology Investments
- Pkg 210 - Food Safety Inspectors
- Pkg 220 - Lab Infrastructure Investments
- Pkg 250 - FSMA outreach, education, and capacity building
- Pkg 260 - District vet position clean-up
- Pkg 270 - Continue Manufactured Food positions

POLICY PACKAGES (CONT'D)

- Pkg 280 - Continue Avian Influenza Position (Limited Duration)
- Pkg 285 - Limitation for Weights and Measures Inspectors
- Pkg 290 - Metrology lab equipment replacement
- Pkg 360 - Plant Program position modifications
- Pkg 440 - Shipping Point position modifications
- Pkg 450 - Commodity Commission oversight program limitation increase



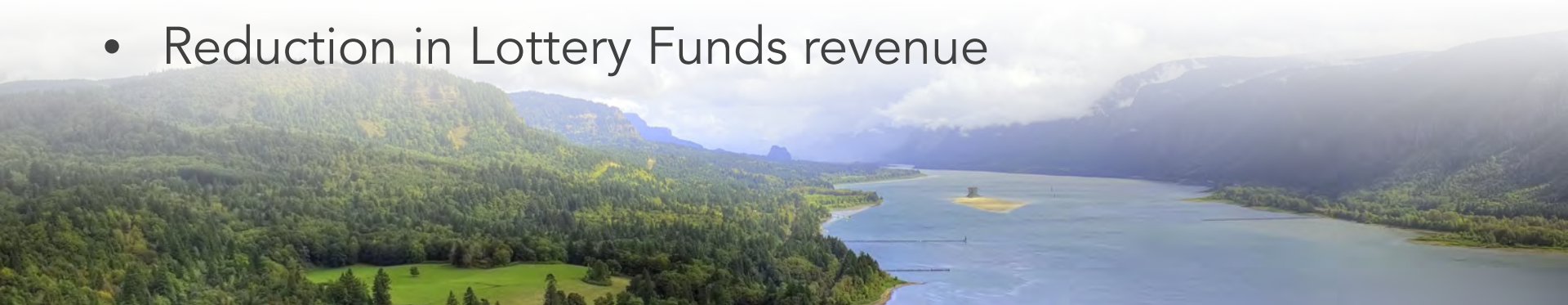
FEE CHANGES

- Pkg 370 - Nursery License Fee Ratification
- ~~Pkg 295 – Scale License Fee Establishment*~~

*Legislative concept has been removed since the development of the Governor's Budget

REDUCTIONS IN GOVERNOR'S BUDGET

- Predator Control - removal of all General Fund
- PARC - one-time fund shift to Other Funds
- Weed Program - remove BioControl Position
- CAFO Program - fund shift to Other Funds
- Ag Development - one-time fund shift to Federal Funds
- IPPM - one-time fund shift to Federal Funds
- Food Safety - one-time fund shift to Other Funds
- General Fund Administration reduction
- Reduction in Lottery Funds revenue



15% REDUCTION OPTIONS

<u>First 5% - $1.3M General Fund</u>

- Predator Control - removal of all General Fund*
- PARC - one-time fund shift to Other Funds*
- CAFO - fund shift to Other Funds*
- Ag Development - one-time fund shift to Federal Funds*

*Included in Governor's Budget

15% REDUCTION OPTIONS (CONT'D)

Second 5% - $1.3M General Fund

- IPPM - one-time fund shift to Federal Funds*
- Food Safety - one-time fund shift to Other Funds*
- Weed Program - eliminate a Biocontrol Position*
- Ag Development - eliminate portion of an Admin Specialist position
- Animal Health - fund shift to Other Funds
- Food Safety - additional one-time fund shift to Other Funds

*Included in Governor's Budget

15% REDUCTION OPTIONS (CONT'D)

Third 5% - $1.3M General Fund

- Food Safety - additional one-time fund shift to Other Funds
- Lab Services- one-time fund shift to Other Funds
- Pesticide Stewardship Partnership - reduce technical assistance
- Animal Health - additional fund shift to Other Funds
- Ag Development - one-time reduction of an Ops & Policy Analyst
- CAFO - additional fund shift to Other Funds
- Administration - one-time fund shift to Other Funds*

*Included in Governor's Budget as a reduction

15% REDUCTION OPTIONS (CONT'D)

<u>First 5% - $354K Lottery Funds</u>

- Weed Program - eliminate a Noxious Weed Specialist
- Ag Water Quality - reduction to compliance actions & technical assistance
- Ag Water Quality - reduction to riparian long-term evaluation program

15% REDUCTION OPTIONS (CONT'D)

<u>Second 5% - $354K Lottery Funds</u>

- SWCD - reduce assistance to Soil and Water Conservation Districts
- IPPM - eliminate four laborer positions

15% REDUCTION OPTIONS (CONT'D)

<u>Third 5% - $354K Lottery Funds</u>

- Ag Water Quality - eliminate a Natural Resource Specialist
- IPPM - eliminate two additional laborers

THANK YOU

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PROGRAM PRIORITIZATION FOR 2017-19

Agency Name: Oregon Department of Agriculture

2017-19 Biennium

Program/Division Priorities for 2017-19 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm / Div																				
1	1	ODA	Food Safety and Animal Health	Food Safety Program/The Food Safety Inspection Program licenses, inspects, and tests all facets of the food distribution system, except restaurants, totaling nearly 8,500 establishments. Also, assists in education of food companies and the public about food quality and safety concerns.	603-1, 13	10	4,415,842	-	7,122,771	-	571	-	$ 11,539,184	42	41.58	Y	Y	FM, FO, S	ORS 603, 616, 619, 621, 632, 625, 628, 635	FM - Food & Drug Cosmetic Act FO - Contract Inspection on behalf of FDA - currently at 600/year	Pkg 210 -Requests to add inspector positions to focus on retail food establishments. Pkg 250 - Requests Federal Fund limitation and limited duration positions for FSMA outreach and education. Pkg 270 - Requests to continue Federal Funds limitation and limited duration positions for ongoing work for the cooperative agreement with FDA for Manufactured Food Regulatory Program (MFRPS).
2	2	ODA	Measurement Stds and Internal Svcs	Regulatory and ESC Lab/This laboratory provides analytical testing services for the department's food safety, pesticide enforcement, natural resource and fertilizer programs ensuring high standards of food safety and product integrity. The Export Service Center (ESC) enhances the department's marketing efforts by providing exporter certification of food and other import requirements for key foreign markets.	603-13	10	3,819,105	-	3,832,328	-	593,947	-	$ 8,245,380	24	23.60	Y	Y	FO, S	ORS 561, 576	FO - Food Emergency Response Network - Capability to perform proficiency testing and assist with food emergency assignments.	Pkg 220 - Requests General Fund to cover equipment replacement, ongoing software fees for LIMS and funding for office support position. Pkg 230 - Requests funds to examine feasibility of moving ODA laboratories.
3	3	ODA	Food Safety and Animal Health	Animal Health/The Animal Health Program's primary activity is to prevent, control and eradicate livestock diseases harmful to humans and animals.	603-13	10	1,033,377	-	1,325,397	-	710,277	-	$ 3,069,051	10	8.78	Y	Y	FO, S	ORS 596, 599, 600, 601, 609, 619	FO - Animal disease surveillance and traceability efforts.	Pkg 260 - Requests to combine two half-time positions into one full-time position. Pkg 280 - Requests to continue limited duration position for Avian Influenza.
4	1	ODA	Plant Protection & Conservation	Insect Pest Prevention and Management/This program includes exclusion, detection and eradication of harmful plant pests such as gypsy moth and Japanese beetle.	603-3, 4, 13	9	1,149,001	2,237,717	132,778	-	2,981,391	-	$ 6,500,887	39	22.14	Y	Y	FO, S	ORS 570	FO - Participation in exclusion, detection, eradication of target harmful plant pests.	Pkg 360 - Request to add limited duration positions for carrying out survey work supported by Federal Funds.
5	1	ODA	Market Access & Certification	Plant Health/Plant Programs include the exclusion, detection and eradication of harmful plant diseases (e.g. sudden oak death), seed field inspections, laboratory testing of seed, and fruit tree virus certification.	603-3, 13	9	-	-	1,958,564	-	1,356,894	-	$ 3,315,458	14	12.81	N	Y	FO, S	ORS 570	FO - Participation in exclusion, detection, eradication of target harmful plant diseases.	-
6	2	ODA	Market Access & Certification	Ag Development and Marketing Projects/These activities support the department's mission to promote economic development in the agricultural industry. The program finds solutions and provides marketing opportunities for Oregon's food and agricultural industry both domestically and internationally.	603-7, 8, 9, 13	6	3,411,833	-	301,806	-	5,096,463	-	$ 8,810,102	14	13.50	Y	Y	S	ORS 576	-	Pkg 410 - PLACEHOLDER for Craft Consumable Promotion.
7	2	ODA	Natural Resources and Pesticides	Natural Resources/This activity unit provides for the administration of all Natural Resource Division programs and activities.	603-10, 11, 12a, 12b, 12c, 13	9	1,401,603	-	152,209	-	14,510	-	$ 1,568,322	6	5.00	N	N	S	561, 568, 468B	-	-

Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm / Div																				
8	3	ODA	Natural Resources and Pesticides	Agriculture Water Quality/Ag Water Quality program provides a mechanism to improve and assure Oregon's Water Quality.	603-12a, 12b, 12c, 13	9	2,949,924	2,331,372	283,627	-	-	-	$ 5,564,923	18	18.00	Y	Y	S	ORS 561, 568, 468B	-	Pkg 310 - Requests General Fund and positions to expand ODA's ability to obtain, review, analyze and summarize landscape data available in the public domain to prioritize agency resources and activities to improve water quality and restore watersheds. Pkg 330 - Funds activities related to the Governor's Clean Water Partnership initiative.
9	4	ODA	Natural Resources and Pesticides	Soil and Water Conservation Districts/This activity provides for utilization of Oregon's 45 Soil and Water Conservation Districts to provide technical assistance to landowners and land managers to implement conservation measures and watershed enhancement projects and support of Oregon's Agricultural Water Quality management program, the Oregon Plan for salmon and watersheds.	603-12a, 12b, 12c, 13	9	-	780,965	-	-	-	-	$ 780,965	2	2.00	N	Y	S	ORS 561, 568	-	-
10	5	ODA	Natural Resources and Pesticides	Confined Animal Feeding Operations/CAFO program provides a mechanism to improve and assure Oregon's Water Quality, and ensure compliance with federal regulations.	603-10, 13	9	2,071,320	-	419,812	-	-	-	$ 2,491,132	10	9.73	N	Y	FM, S	ORS 468B	FM - Adherence to federal regulations related to Confined Animal Feeding Operations (CAFOs).	-
11	6	ODA	Natural Resources and Pesticides	Pesticides/The pesticides program administers state law regulating the distribution and use of pesticide products.	603-6, 13	10	-	-	6,646,077	-	1,260,343	-	$ 7,906,420	26	26.37	N	Y	FM, S	ORS 634	FM - Adherence to Federal Insecticide, Fungicide and Rodenticide Act (FIFRA)	-
12	7	ODA	Natural Resources and Pesticides	Pesticide Stewardship Partnership/Identifies potential concerns and improves water quality affected by pesticide use around Oregon.	603-12a, 12b, 12c, 13	9	919,554	-	919,553	-	-	-	$ 1,839,107	1	1.00	N	N	–	ORS 561, 568, 634	-	-
13	4	ODA	Food Safety and Animal Health	Shellfish/The shellfish program assures the safety of Oregon's commercial and recreational shellfish and compliance with the U.S. Food and Drug Administration's (FDA) standards for shipping shellfish interstate.	603-13	10	434,319	-	504,718	-	-	-	$ 939,037	2	2.00	Y	Y	FO, S	ORS 622	FO - Adherence to FDA requirements for interstate shellfish compact. Interstate movement of shellfish.	Pkg 240 - Requests General Fund for core program services.
14	5	ODA	Food Safety and Animal Health	Feeds/The Feeds program provides commercial feed registration as well as a testing program to assure consumers that animal feed is safe and in compliance with state and federal regulation and laws.	603-13	3	-	-	445,468	-	-	-	$ 445,468	2	1.50	N	Y	FO, S	ORS 633	FO - Adherence to federal regulations for feed.	-
15	8	ODA	Natural Resources and Pesticides	Fertilizer/The fertilizer program regulates the composition, labeling, and marketing of fertilizer products.	603-13	3	-	-	1,368,464	-	-	-	$ 1,368,464	3	3.63	N	N	S	ORS 633	-	-
16	9	ODA	Plant Protection & Conservation	Noxious Weed Control/This program's function is to protect Oregon's natural resources and agricultural economy from invasive noxious weeds through integrated control efforts. This includes early detection rapid response, biological control and providing technical assistance and grants to local land managers.	603-3, 4, 13	9	655,548	1,668,425	256,122	-	1,671,220	-	$ 4,251,315	15	11.97	Y	Y	S	ORS 570	-	Pkg 320 - Enhances the noxious weed program's efficiency and capacity by including an aquatic weed specialist, redirecting current on-the-ground treatment activities mostly to County Weed Programs, and strengthening the EDRR component to more efficiently mitigate the risk of new noxious weed invasions.
17	10	ODA	Plant Protection & Conservation	Nursery/The nursery program provides inspection and export certification services to Oregon's nursery industry; imported nursery stock is also inspected.	603-13	6	-	-	3,566,619	-	670,106	-	$ 4,236,725	15	13.41	Y	Y	S	ORS 571	-	Pkg 070 - Revenue shortfall. Pkg 370 - Requests to ratify an administrative fee increase and restore reductions made to the Nursery program in Pkg 070.

Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm / Div																				
18	11	ODA	Plant Protection & Conservation	Christmas Tree/Plant Programs include inspection and export certification services to Oregon's Christmas tree industry.	603-13	6	-	-	577,131	-	-	-	$ 577,131	-	2.12	N	Y	S	ORS 571	-	-
19	12	ODA	Plant Protection & Conservation	Nursery Research/This activity makes available nursery-related research grants from money collected through the nursery research assessment fund.	603-13	6	-	-	417,875	-	-	-	$ 417,875	-	-	N	N	S	ORS 571	-	-
20	13	ODA	Plant Protection & Conservation	Invasive Species Council/The purpose of the Oregon Invasive Species Council (OISC) shall be to conduct a coordinated and comprehensive effort to keep invasive species out of Oregon and to eliminate, reduce, or mitigate the impacts of invasive species already established in Oregon.	603-3, 4, 13	9	-	53,768	311,444	-	461,769	-	$ 826,981	-	-	Y	N	S	ORS 570	-	Pkg 340 - Requests to continue level of funding appropriated in the 2015-17 biennium on a permanent basis to support the Council.
21	3	ODA	Market Access & Certification	Shipping Point Inspection/Provides inspection and certification to a wide range of fruit, vegetable and nut crops. Inspectors certify product for export and domestic markets.	603-7, 13	6	-	-	10,098,179	-	-	-	$ 10,098,179	124	55.69	Y	Y	FO, S	ORS 632	FO - Adherence to federal programs for various certification and audit programs.	Pkg 440 - Requests to change positions to seasonal part-time.
22	4	ODA	Market Access & Certification	Certifications/The certification and audit services program provides voluntary market access certification and validation for processes and attributes of fresh and processed agricultural products. Programs include: National Organic Program certification, Global Food Safety Initiative audits, USDA GAP/GHP Audit Verification Program, Maximum Residue Level Certification and other private and industry driven standards verification and third-party audit services.	603-7, 13	6	-	-	1,452,910	-	-	-	$ 1,452,910	6	8.31	Y	Y	FO, S	ORS 632	FO - Adherence to federal programs for various certification and audit programs.	Pkg 430 - Requests funding to recover costs associated with implementation of the industrial hemp program.
23	6	ODA	Food Safety and Animal Health	Livestock ID/The Livestock ID program is to ensure proper ownership of livestock through the brand recording and inspection program, enhance economic production of livestock.	603-13	6	-	-	3,011,338	-	-	-	$ 3,011,338	71	13.89	N	Y	S	ORS 577, 579, 603, 604, 607, 608, 601, 164, 167	-	-
24	7	ODA	Measurement Stds and Internal Svcs	Weights and Measures/The weights and measures program licenses, inspects, and certifies all commercially used weighing and measuring devices in Oregon and assures scales are used properly.	603-13	3	-	-	6,951,032	-	-	-	$ 6,951,032	27	24.83	Y	Y	S	ORS 618	-	Pkg 285 - Seeks to add additional inspection field staff to the Weights and Measures program. Pkg 290 - Requests additional Other Funds limitation to replace aging metrology lab equipment. Pkg 295 - Revenue only package to accommodate fee establishment in Legislative Concept.
25	5	ODA	Market Access & Certification	Seed/ This program provides inspection and enforcement of regulations of the grass seed industry. It provides a fair and competitive market within the Oregon Seed industry. The activities of the program have been a integral part of developing Oregon's reputation as a high quality seed supplier.	603-13	6	-	-	1,022,400	-	-	-	$ 1,022,400	4	3.58	N	Y	S	ORS 633	-	-
26	6	ODA	Market Access & Certification	Hops/Hay/Grain/Hemp- This activity provides inspection and certification for hops, hay, grains, and industrial hemp.	603-13	6	-	-	827,295	-	-	-	$ 827,295	1	2.60	N	N	S	ORS 561, 571, 586, 632, 633	-	-
27	14	ODA	Plant Protection & Conservation	Apiary/Responsible for state's apiary registration program.	603-13	6	-	-	-	-	-	-	$ -	-	-	N	N	S	ORS 602	-	-

Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
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28	7	ODA	Market Access & Certification	Commodity Commission Oversight/This activity provides the administrative oversight of Oregon's 28 agricultural commodity commissions.	603-11, 13	4	-	-	590,527	-	-	-	$ 590,527	2	2.00	Y	Y	S	ORS 576, 577, 578, 579	-	Pkg 450 - Requests additional limitation to cover program costs.
29	15	ODA	Natural Resources and Pesticides	Smoke Management/The program minimizes the impacts on Oregonians through control of agricultural field burning activities.	603-2, 13	10	-	-	992,252	-	-	-	$ 992,252	2	1.33	N	N	S	ORS 468B	-	-
30	8	ODA	Food Safety and Animal Health	Motor Fuel Quality/The program inspects motor fuels to ensure that fuels meet national standards for quality and grade.	603-2, 13	3	-	-	559,412	-	-	-	$ 559,412	-	2.07	N	Y	S	ORS 618	-	-
31	1	ODA	Farm Mediation	Farm Mediation/The activities include offering a voluntary and confidential process with trained, professional mediators to assist growers and members of the public in resolving private-party conflicts or issues related to agriculture. Examples include: boundary disputes, contract disputes, Ag. labor/wage concerns, price negotiations etc.	603-13	4	97,107	-	333,720	-	-	-	$ 430,827	1	1.00	N	Y	S	ORS 576	-	-
32	16	ODA	Natural Resources and Pesticides	Pesticides Analytical Response Center/Provides an unbiased review of alleged pesticides poisonings in Oregon.	603-6, 13	10	356,685	-	384,443	-	-	-	$ 741,128	1	1.00	N	N	S	ORS 634	-	-
33	9	ODA	Food Safety and Animal Health	Predator Control/This program is a cooperative activity with USDA Wildlife Services and Oregon counties. It Functions to reduce losses to agricultural producers by predatory animals.	603-13	9	464,299	-	-	-	-	-	$ 464,299	-	-	N	Y	S	ORS 610	-	-
34	2	ODA	Wolf Financial Asst & Grants	Wolf Financial Assistance & Grants/Provides block grants to assist counties in implementing county wolf depredation compensation programs.	603-13	6	210,511	-	-	-	181,475	-	$ 391,986	-	-	Y	Y	FO, S	ORS 610	FO - Distribute direct compensation for losses and/or prevention. Reporting to Federal Gov regarding program activities.	Pkg 150 - Continues funding for the wolf depredation compensation and financial assistance grant program at the current 2015-17 level.
35	17	ODA	Plant Protection & Conservation	Plant Conservation Biology/This program focuses on protection of threatened and endangered native plants.	603-5, 13	9	109,108	-	221,485	-	959,826	-	$ 1,290,419	4	3.50	N	Y	S	ORS 564	-	-
N/A	N/A	ODA	Admin and Support Services	Administration/This program unit provides administrative support services to department programs including leadership, policy development, interagency coordination, collaboration with agricultural industries, information systems, accounting, payroll, budgeting, procurement, human resources, public affairs, and staff support for Board of Agriculture. Administration also includes Cannabis Policy Coordinator.	603-13	4	2,278,272	-	8,847,355	-	-	-	$ 11,125,627	37	37.00	Y	Y	-	ORS 561	-	Pkg 110 - Requests a fundshift for additional state support to maintain parity in funding sources in administration with the programs it supports. Pkg 120 - Requests General Fund to add staffing to Human Resources. Pkg 130 - Requests General Fund to fund a Public Records Coordinator. Pkg 140 - Requests to fund investments in Information Technology. Pkg 160 - Requests Other Funds limitation and transfer from OLCC to support program costs.
							25,777,408	7,072,247	65,835,111	-	15,958,792	-	$ 114,643,558	523	375.94						

Prioritize each program activity for the Agency as a whole

7. Primary Purpose Program/Activity Exists
1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code
C Constitutional
D Debt Service
FM Federal - Mandatory
FO Federal - Optional (once you choose to participate, certain requirements exist)
S Statutory

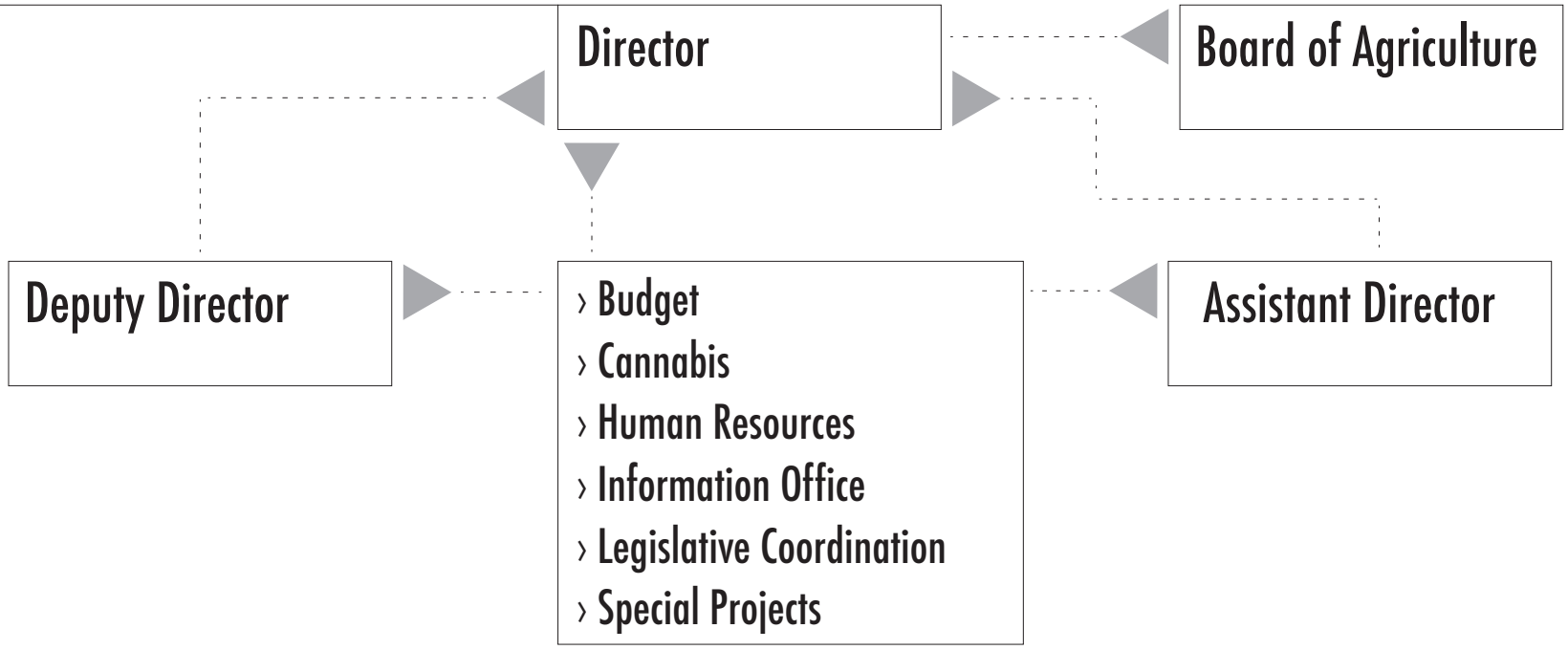
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy Prgm / Div																				

Document criteria used to prioritize activities:

Programs are prioritized based on the following principles: impacts on public health, potential economic development, environmental protections, agency's core mission, and other ways of meeting the requirements of the agency.

Source: 2017-19 Governor's Budget, Current Service Level

Agency Working Organizational Chart



Market Access & Certification Programs

- Agricultural Development & Marketing
- Certification Services
- Commodity Commissions Oversight
- Commodity Inspection
- Farm to School Program
- Industrial Hemp
- Plant Health Lab
- Seed Program
- Shipping Point Inspection
- Specialty Crop Block Grant Program

Food Safety & Animal Health Programs

- Animal Health & Lab
- Animal Identification
- Commercial Animal Feeds
- Food Safety
- Shellfish Biotoxin Testing
- Shellfish Plat Leasing
- State Veterinarian

Natural Resource Programs

- Agricultural Water Quality
- Confined Animal Feeding Operations
- GIS Mapping
- Land Use
- Pesticide Analytical & Response Center
- Pesticide & Fertilizer Programs
- Smoke Management
- Soil & Water Conservation Districts Program

Plant Protection & Conservation Programs

- Insect Pest Prevention & Management
- Noxious Weed Program
- Nursery & Christmas Tree Program
- Nursery Research Grant Program
- Native Plant Conservation

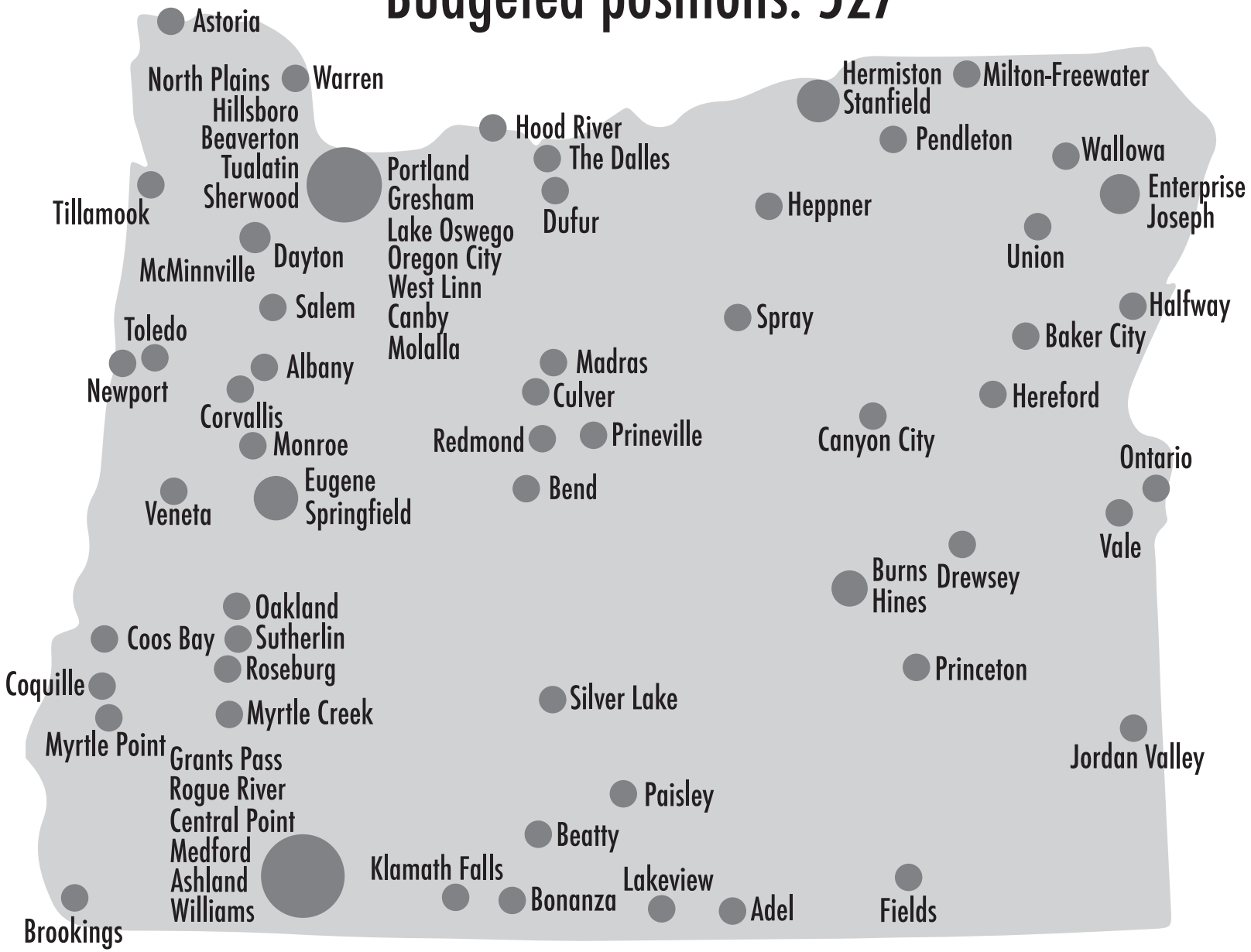
Internal Service & Consumer Protection Programs

- Egg Laying Hens
- Laboratory Services
- Metrology Lab
- Motor Fuel Quality
- Weights & Measures
- Wolf Compensation

ODA Staff by Location

ODA provides services across the state with field staff based in strategic geographic locations.

Budgeted positions: 527



Note: Larger circles reflect multiple cities in the region, not quantity of employees.

Oregon Department of Agriculture

2015-2016 Biennial Report

About this report

Oregon
Department
of Agriculture

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For more than 80 years, the Oregon Department of Agriculture has provided service and expertise, not just to those whose livelihoods depend on agriculture, but all citizens of the state. There have been many changes over the decades, but some of the same issues and responsibilities for our agency have carried over into a new century.

ODA remains committed to its three-fold mission of food safety and consumer protection, protection of the state's natural resources, and market development for Oregon's agricultural products. Core values guide the actions of ODA employees as they carry out the mission of the agency:

- Honesty, integrity, and fairness
- Technical and professional competence
- Respect for people and property
- Practical approaches to problem solving
- Quality customer service

We are determined and motivated to provide service in an efficient, practical, and friendly manner that meets a high standard of professionalism. We understand the need to be flexible and innovative as we work to solve problems, create opportunities, and offer good customer service.

The 2015-16 Biennial Report describes in detail our programs, goals, and accomplishments over the past two years. Behind the text and pictures in this publication, you will find dedicated state employees who understand and deliver the commitment we pledge each day to fulfill our mission.

Contents

State Board of Agriculture

Board members toured the Threemile Canyon Farms in Boardman during the September 2015 Board meeting.

A 10-member State Board of Agriculture, appointed by the governor, advises the Oregon Department of Agriculture (ODA) on policy issues and development of rules. Board members serve four-year terms with a maximum of two terms.

State law requires seven of the appointed members to be farmers or ranchers who represent different segments of agriculture; two board members must represent consumers; and, the 10th member is the chair of the Soil and Water Conservation Commission. The board serves to keep ODA's director in close touch with the day-to-day issues of producers and consumers.

The ODA director and the dean of the College of Agricultural Sciences at Oregon State University serve as ex-officio members of the board without the right to vote.

The board meets four times a year in locations around the state. In addition to meeting in urban centers such as Portland and Salem, the board also took advantage this biennium of an opportunity to connect with the agricultural and food sectors east of the Cascades by listening to local panels of producers and agricultural companies in Boardman, Pendleton, and John Day. This engagement helps the board meet its duty of representing the diversity of Oregon agriculture.

STATE OF OREGON AGRICULTURE INDUSTRY REPORT 2017

Another major responsibility of the board is to produce a State of Oregon Agriculture Industry Report that is presented to the governor and the state legislature every two years. The report is published as a companion document to ODA's Biennial Report.

In this report, the State Board of Agriculture develops key policy initiatives and recommendations that speak to long-term viability and sustainability of Oregon's farms, ranches, fisheries, and forests. This year the board chose focus on five key issues for agriculture:

- Food safety and the Food Safety Modernization Act
- Market access and certification programs
- Land use and coexistence
- Water quantity and quality
- The agricultural workforce

Additional issues and stories about Oregon agriculture are woven throughout the regional geographic sections of the report.

Investments and policy recommendations in key areas include:

» Recognize, support, and promote the diversity of Oregon's agricultural, food, and beverage industries.

» Support and maintain robust local, domestic, and international market opportunities for Oregon's agricultural and food sector.

» Continue to invest in water quality and quantity projects to support agriculture in all parts of the state.

» Support capacity building for ODA's food safety program in order to ensure safe food for all Oregonians.

» Develop strong policies to maintain agriculture as a primary land use, especially in Exclusive Farm Use zones.

» Urge Congress to fully fund the Food Safety Modernization Act and advocate for comprehensive immigration reform.

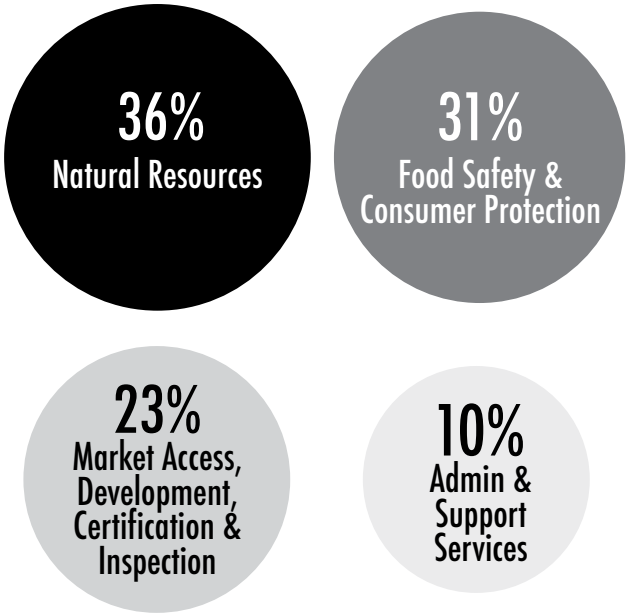
In the geographic sections of the report, issues may be highlighted in just one region, but are often important to agriculture in other parts of the state.

The full board report to the legislature is available on the ODA website: bit.do/BoardReport

Agency Overview

Legislatively Adopted Budget 2015-2017

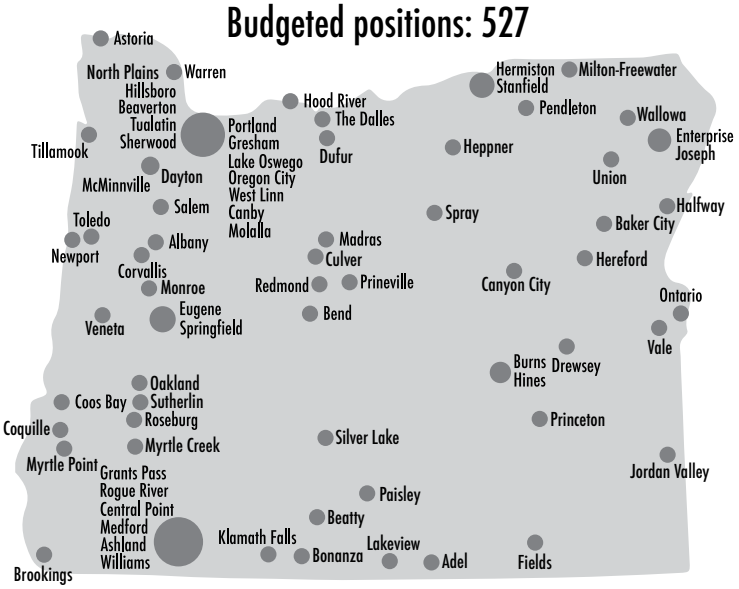
Total: $105,828,908



ODA Staff by Location

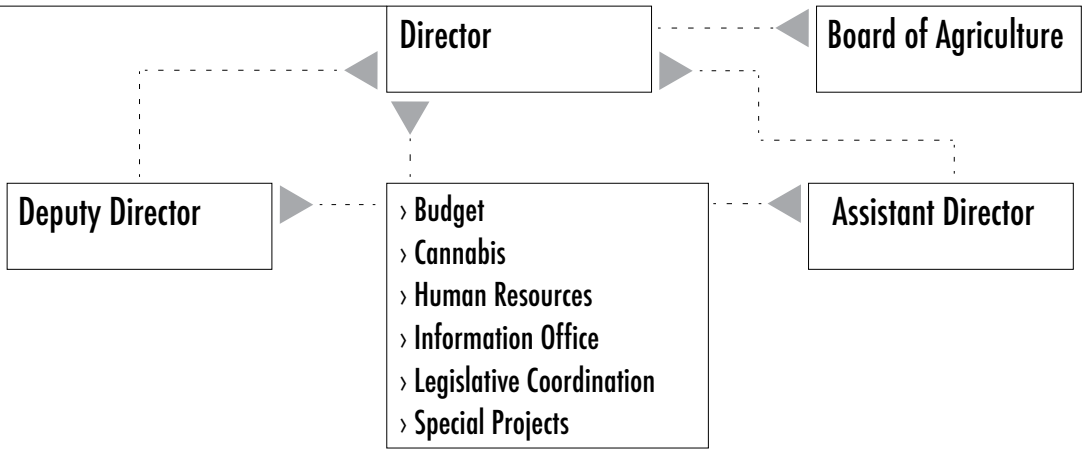
ODA provides services across the state with field staff based in strategic geographic locations.

Budgeted positions: 527



Note: Larger circles reflect multiple cities in the region, not quantity of employees.

Agency Organizational Chart



Market Access & Certification Programs	Food Safety & Animal Services Programs	Natural Resource Programs	Plant Protection & Conservation Programs	Internal Service & Consumer Protection Programs
› Agricultural Development & Marketing › Certification Services › Commodity Commissions Oversight › Commodity Inspection › Farm to School Program › Industrial Hemp › Plant Health Lab › Seed Program › Shipping Point Inspection › Specialty Crop Block Grant Program	› Animal Health & Lab › Animal Identification › Commercial Animal Feeds › Food Safety › Shellfish Biotoxin Testing › Shellfish Plat Leasing › State Veterinarian	› Agricultural Water Quality › Confined Animal Feeding Operations › GIS Mapping › Land Use › Pesticide Analytical & Response Center › Pesticide & Fertilizer Programs › Smoke Management › Soil & Water Conservation Districts Program	› Insect Pest Prevention & Management › Noxious Weed Program › Nursery & Christmas Tree Program › Nursery Research Grant Program › Native Plant Conservation	› Egg Laying Hens › Laboratory Services › Metrology Lab › Motor Fuel Quality › Weights & Measures › Wolf Compensation

Administration & Support Services

INTRODUCTION

Administration and Support Services manages the executive functions of the agency and provides critical core infrastructure, such as business, accounting, and technical support for agency programs and customers. The program also administers the Farm Mediation Program, coordinates cannabis policy, and works closely with the agricultural and ranching communities.

DIRECTOR'S OFFICE

What we do

- Provide executive oversight of all ODA functions while working with the Governor's Office, Legislature, other state/federal agencies, and agricultural/consumer groups to carry out the state's agricultural policies.
- Advocate for agriculture, and educate Oregonians on its importance through speaking opportunities, publications, media relations, and other communication avenues.
- Provide administrative support for the State Board of Agriculture.

- Provide technical assistance to farmers as well as local, regional, and state governments on land use proposals.
- Serve as a liaison between ODA and Oregon's congressional delegation, track federal policy issues including the farm bill, Food Safety Modernization Act, and immigration reform.
- Attend meetings and represent ODA on task forces and work groups, including the Cannabis Environmental Best Practices Task Force, Agriculture Work Force Housing Task Force, the Governor's Regional Solutions teams, and the Oregon Agriculture in the Classroom Board.
- Provide oversight and leadership for the Oregon Farm Mediation Program, making agriculture dispute resolution services available across Oregon for labor disputes, boundary/trespass conflicts, family farm transition, and other issues.
- Participate as a member in the state agency-Tribal Natural Resources work group and the Cultural Cluster work group to promote communication between ODA and Oregon's nine federally recognized tribes.
- Create and maintain web pages on grants and financial assistance to growers, disaster preparation and response, youth tractor training programs, farm internship programs, and beginning and small farm resources.
- Work with Oregon Liquor Control Commission and Oregon Health Authority as they implement rules related to recreational and medical marijuana, and coordinate with ODA programs that affect cannabis production, processing, wholesale, and retail activities.
- Conduct state-supervised price negotiations for grass seed and Dungeness crab industries.

Major accomplishments

- Initiated work on an updated agency strategic plan, collecting data from stakeholders and staff, and beginning to identify priorities, goals, and tactics. The new strategic plan is expected to be completed in 2017.
- Promoted Oregon agriculture locally, regionally, and internationally through appearances, speeches, media interviews, and trade mission participation by Director Katy Coba and other key agency officials.
- Coordinated agencywide and multi-agency responses to emergency situations, including drought declarations and another discovery of genetically engineered wheat in the Pacific Northwest.
- Provided leadership in response to the Food Safety Modernization Act through Director Coba's efforts as a key member of the National Association of State Departments of Agriculture (NASDA). This included the development of official comments and responses to the implementation of rules and

their impact on Pacific Northwest agriculture.

- Created outreach materials targeted to the cannabis industry, presented at numerous meetings, and provided assistance to industry and sister state agencies through the Cannabis Policy Coordinator position in the Director's Office.
- Created the Western States Cannabis Meetings, which provide opportunities for coordination among western states with cannabis programs on the topics of pesticides, food safety, and general cannabis regulations.
- Provided analysis and technical expertise on land-use policy issues and proposals affecting agricultural lands including urban growth management, the siting of energy facilities, and other non-farm uses. Evaluated existing and possible new tools to accomplish the protection of Oregon's agricultural lands.

- Provided spatial assessments related to protection of Oregon's agricultural land base, and associated infrastructure and other operational needs.
- Coordinated the Farm Mediation Program and worked with stakeholders on rule revisions of the program. Completed 13 cases in 2015-16, with nine reaching a settlement. Of the 13 cases, 100 percent of the participants who completed post mediation surveys indicated they would recommend the program to someone else.
- Worked with the State Board of Agriculture to develop the Board's biennial report to the Legislature.
- Commissioned an updated report by Oregon State University on the agriculture industry's economic footprint and provided review and input for the final publication. The report, Oregon Agriculture, Food and Fiber: An Economic Analysis, is widely used to document ag sector sales and employment.
- Coordinated with the Washington State Department of Agriculture on a multi-state Asian gypsy moth eradication project that covered thousands of acres and an urban population.
- Conducted state-supervised price negotiations between producers and dealers/processors that resulted in agreements involving grass seed and Dungeness crab.
- Collaborated with state and federal partners, landowners, and other stakeholders on conservation measures that led to improvements to sage-grouse habitat through development of the Oregon Sage-Grouse Action Plan and the landowner Candidate Conservation Agreement with Assurances.

Goals

» Complete an updated strategic plan for the agency and begin implementation. This includes distribution and communication of the plan to employees, stakeholders, and other key partners.

» Retain a process of continuous improvement within the agency, looking for ways to gain efficiencies and coordination among ODA programs that result in better delivery of core business functions and enhanced customer service.

» Continue working collaboratively with Oregon natural resource agencies, industry partners and interest groups, other states through the National Association of State Departments of Agriculture (NASDA), and federal partner agencies to achieve positive outcomes.

» Maintain the role of the State Board of Agriculture in guiding ODA policy development and ensure that recommendations in the Board of Agriculture Biennial Report are tracked and accomplished.

» Secure adequate funding for ODA programs to efficiently and cost-effectively accomplish the mission and objectives of the agency.

» Increase outreach to cannabis growers, processors, and retail facilities.

» Continue to facilitate communication among ODA programs and the cannabis industry.

» Continue to participate in regional and statewide land use planning activities and to monitor the application of Oregon's "Right-to-Farm" law.

» Continue to provide technical assistance to ODA constituents including the public, agricultural interests, NGOs, and local, state and federal organizations.

» Promote coexistence within a diverse agriculture sector.

INFORMATION OFFICE

What we do

- Serve as the agency's first point of contact for external customers.
- Provide communications and information services and assistance to all ODA programs.
- Provide media relations and public information services, including publications and other informational/educational materials.
- Coordinate ODA's website and social media services while providing assistance to agency staff.

Major accomplishments

- Responded to more than 1,200 requests by media for interviews and information, and more than 14,000 telephone or email requests for information by the public in 2015-16.
- Provided communication and information services as part of the Asian gypsy moth eradication project in Portland, including assistance at public open houses and delivering real-time status updates to media and public during the spraying.
- Increased social media followers and engagement on Facebook by more than 80 percent and Twitter by more than 40 percent over 2015-16.
- Worked with ODA's Agricultural Development and Marketing Program to produce a second edition of Growing Oregon, a widely distributed magazine aimed at consumers of Oregon agriculture.
- Assisted with the creation of a new Celebrate Oregon Agriculture (COA) blog and a grant to dramatically increase followers and engagement on the COA Facebook page. Also added a COA Instagram account.
- Increased photos and albums on Flickr photo sharing site for agency and public use, including the hugely popular "spiders" album.
- Developed event materials for special projects, including a national Specialty Crop Block Grant Program Conference, avian influenza educational materials, design for the Invasive Species Education Station, insect identification guides, and a cannabis infographic and fact sheets.
- Created the "What is a Pesticide?" video, available on YouTube with plans to produce a Spanish version of the video. This is the first in a series of pesticide-related videos to be produced by the Information Office.
- Continued to modify and improve the ODA website.

Goals

» Increase engagement of the public through social media channels. This includes more investment in Facebook content and an improved social media calendar for strategic messaging.

» Create a strategic communications plan for the agency that supports the goals and objectives of the agency strategic plan that is currently being developed.

» Develop a series of short videos that explain the jobs and functions of ODA.

» Continue to enhance and refine ODA's website through analytics and customer feedback.

ADMINISTRATIVE SERVICES

What we do

- Provide support for all of the department's programs in areas of financial management, licensing, contracts and procurement, human resources, and computer information systems. Through department programs, administrative services interacts with all of ODA's diverse customer base.
- Make payments for all goods and services purchased by the department as well as reimbursements for expenses; coordinate, train, and oversee compliance with travel rules; administer Small Purchase Order

Transaction System (SPOTS) card program; receive, record, and deposit all revenue collected by the department; prepare monthly and annual financial statements; coordinate and monitor federal contracts and grants; monitor expenditures for appropriateness with Generally Accepted Accounting Principles, laws, regulations, Department of Justice opinions, and Secretary of State Audit comments.

- Assist Director's Office in the development and control of the department's biennial budget; prepare quarterly allotments; provide expenditure and cash flow information; prepare fiscal impact analyses of proposed legislation; analyze fund balances and prepare forecasts.

- Provide centralized department licensing functions, including auditing of license applications, issuing of license renewals and certificates, and monitoring license activities.
- Develop, establish, and administer department contracts; act as central procurement authority for the department; provide building maintenance and fleet management.
- Prepare monthly payroll; process health, dental, life, and disability insurance applications in addition to other voluntary deductions.
- Coordinate employee training, recruitment, hiring, job classifications, diversity management, and labor relations.
- Maintain department's computer infrastructure, including hardware and software that comprises the department's network; deploy,

configure, maintain, and monitor network equipment; develop and support custom business applications; provide help desk service and support.

Major accomplishments

- Enhanced online license renewal and payment system for ODA licensees, adding additional features and simplifying the customer experience. Enhanced features include addition of brand renewals, as well as allowing customers to add products to their veterinary product registrations and pesticide products registrations. Modified renewal notices to eliminate large volume of paper and replaced with postcards. Created a new voucher option for customers who wish to calculate their fees online and send payment by mail. For the June 2015 license renewal period, 40% were renewed online. For the December 2015 license renewal period, 66% were renewed online. For the June 2016 license renewal period, 91% of all licenses renewed to date, were renewed online.
- Received State Controller Gold Star Certificates, once again, for ODA and the Commodity Commissions. Certificates are awarded to state agencies that meet requirements related to timeliness, accuracy, completeness, communication of important issues, and training attendance as part of the state of Oregon's Comprehensive Annual Financial Report.
- Implemented enterprise model of fleet management for ODA's 235 vehicles and began using new web based fleet management system (Fleet Commander), which allows staff to reserve ODA motor pool vehicles online and retrieve keys from automated key box system. New fleet system increases utilization of vehicles and inventory tracking, life-cycle processing, and other reporting capabilities. Also surplused 73 older vehicles and replaced them with new models, increasing gas mileage, dependability, and safety while lowering maintenance costs.

Goals

» Recruit, maintain, and retain highly qualified staff who are provided with the necessary tools to service a wide range of complex and valuable programs for Oregon agriculture and consumers statewide.

» Further develop ODA's technical infrastructure and capacity to provide effective and efficient service delivery.

» Implement a system to allow online payment for accounts receivable invoices. ODA invoices customers for a wide variety of fee for service work. This system would allow customers to quickly and easily pay invoices online in a secure environment through US Bank.

» Create an online system for accepting new license applications and payment. ODA's online license renewal and payment system is only for renewal and payment of current licensees. This system would allow new ODA customers to apply and pay for department licenses, streamlining the process and speeding up issuance of new licenses.

» Continue to receive annual State Controller Gold Star Certificates for ODA and Commodity Commissions.

» Maintain optimum level of vehicles within ODA fleet to optimize and meet utilization goals. Continue to standardize vehicle types in order to gain economies of scale when purchasing new vehicles and to increase the usage of vehicles across agency programs.

Internal Services & Consumer Protection Programs

INTRODUCTION

The Internal Services and Consumer Protection (ISCP) Program Area provides consumer protection, ensures fair competition among businesses, and facilitates interstate commerce and international trade. This is done by ensuring the accuracy, validity, uniformity, and confidence in Oregon's Commercial Weighing System; ensuring that motor fuels sold in Oregon meet national standards for quality; providing safe, accurate, timely, and cost-effective laboratory analysis and technical support to ODA regulatory enforcement programs and other local, state, and federal agencies; and providing analytical and technical support for moving value-added food products to domestic and foreign markets. The ISCP Program Area also administers the Wolf Depredation Compensation Financial Assistance Grant and the Egg-Laying Hen Care programs.

WEIGHTS & MEASURES PROGRAM

What we do

- Act as an impartial third-party overseeing Oregon's commercial marketplace to ensure equity in transactions for the buyer and seller while, at the same time, working to prevent and eliminate fraud and other deceptive and misleading practices.
- Examine and certify approximately 58,000 commercially-used weighing and measuring devices for accuracy and compliance with state and nationally recognized quality standards. This includes conducting annual performance tests on more than 29,000 retail motor fuel dispensers in Oregon. These devices are licensed and examined for accuracy and suitability each year by 18 field inspectors and two field supervisors.
- Respond to and investigate complaints involving discrepancies

in weighing and measuring devices, and motor fuel quality issues.

- Provide Oregon industries the highest level of precision calibration available through the metrology laboratory. The lab maintains custody of the state's mass and volumetric standards for measurement, which are used to 1) provide precision calibration and traceability for over 2,700 standards used in the field by weights and measures inspectors (in order to make sure that the tools used to check weighing and measuring devices for accuracy are, themselves accurate), and 2) provide precision calibration services to more than 140 private high technology, manufacturing, and production firms each year.
- Act as the state's technical experts and provide technical assistance to businesses in the proper selection and use of weighing and measuring equipment by interpreting the National Institute of Standards and Technology (NIST) Handbook 44, and by collecting and distributing information on the continuing advancement of commercial measurement technology.
- Represent Oregon at the annual National Conference on Weights and Measures, during which laws and regulations, technical codes for weighing and measuring devices used in commerce, test methods, enforcement procedures, and administrative guidelines are developed and adopted by weights and measures regulatory agencies in the interest of promoting uniformity of requirements and methods.

Major accomplishments

- Examined 52,557 (91%) of the 57,486 total weighing and measuring devices licensed in Oregon for 2015 and approximately the same percentage of the 58,500 licensed devices for 2016. These devices are associated with approximately 12,300 businesses and are used to weigh or measure an estimated $107 billion of goods and products each year in Oregon. Determined approximately 85.8% of the weighing and measuring devices examined by field inspectors for 2015-16 were in compliance with national and state weights and measures laws.
- Issued more than 1,000 small scale licenses to the cannabis industry as of 2016, with more expected as newly created licenses for marijuana producers, processors, and wholesalers are issued by the Oregon Liquor Control Commission (OLCC) and Oregon Health Authority (OHA) for recreational and medicinal marijuana businesses, respectively.
- Worked closely with staff at the OLCC and OHA to develop recreational and medical marijuana rules regarding the use of commercial scales in the cannabis industry, and for the packaging and labeling of marijuana and marijuana-derived products, in order to make sure the rules are consistent with ODA weights and measures rules, generally accepted national standards for commercial weighing equipment, Uniform Packaging and Labeling Regulation, and the Fair Packaging and Labeling Act.
- Received, investigated, and resolved 184 complaints regarding weighing

and measuring issues in 2015-16.

- Examined 28,358 fuel-metering devices in 2015, most residing at retail motor fuel sites–with 2,818 (10%) issues found (calibration or display issues, leaky hoses, defective switches, etc.) warranting appropriate compliance action. These fuel meters are used to measure an estimated $5.9 billion of gasoline (including aviation fuel) and diesel fuel sold in Oregon each year.
- Worked in partnership with the agriculture industry (farming, ranching, commercial fishing, processing, wholesale, and retail) to certify weighing and measuring devices and systems that assisted in accurately weighing $5.4 billion worth of agricultural production for 2015 and a similar number for 2016. This included scales and automated bulk weighing systems that assisted in weighing $137 million of commercial fish landings, as well as livestock scales that assisted in weighing $914 million worth of cattle.
- Collaborated with over 170 farmers markets in Oregon in certifying scales, which weighed an estimated $44 million of Oregon's farm sales in 2015.
- Assisted the Port of Portland in certifying continuous weighing and measuring systems in terminals 4 and 5, which assisted with the weighing and measuring of 7.5 million tons of grain and bulk minerals that passed through the Port in 2015.
- Initiated a project to add remote control to all weight carts that are used to test livestock and truck scales. As a result, inspectors can now operate a 10,000 lb. plus weight cart from a safe distance on potentially uneven terrain and sometimes questionable scale decks while testing a scale. In addition to safety benefits, it is estimated that this modification saves up to 10 minutes of time per scale test as the inspector is no longer required to walk back and forth repeatedly to reposition the cart and to check the scale indicator.
- Teamed with ODA's Food Safety Program in 2015-16 (through October 2016) as part of the "Just Checking In" efficiencies project and conducted 386 food safety audits at retail food establishments across the state when a weights and measures field inspector was already near, or on-site, for work-related purposes.

- Maintained close partnership and cooperative training effort with the National Institute of Standards and Technology (NIST), the National Conference on Weights and Measures (NCWM), and the National Type Evaluation Program (NTEP). This has resulted in ODA weights and measures staff being nationally recognized as trainers in the area of metrology, liquefied petroleum gas (LPG), retail motor fuel dispensers, and as a NTEP field evaluator for the testing of large scales in the western part of the country.
- Received another outstanding third-party assessment of ODA's Metrology Laboratory from the National Voluntary Laboratory Accreditation Program (NVLAP), reaffirming the lab as one of the best in the country. The lab also is just one of eight state mass labs nationwide that NVLAP accredited to Echelon 1 mass calibration designation, permitting the highest precision available as required by today's high technology business sector.

Goals

» Develop a software-based field inspection system to reduce the program's dependence on handwritten reports.

» Automate measuring processes in the metrology laboratory by replacing, modifying, and augmenting existing measuring equipment.

» Replace four aging liquefied propane gas volumetric testing units with compact high accuracy mass flow meter-based systems.

» Deploy a railroad scale testing unit to replace a nearly 100-year-old railroad scale test car and eliminate the program's dependence on railroads to convey its test equipment from one licensed railroad track scale to the next (completion expected summer 2017).

MOTOR FUEL QUALITY

What we do

- Ensure that the 2.3 billion gallons of motor vehicle gasoline (including aviation fuel), diesel, and biofuels sold in Oregon each year meet national standards and specifications for quality.
- Test gasoline sold in the retail market to make sure the product's actual octane rating is consistent with what is posted. This regular testing helps ensure consumers are getting the octane rating they are paying for at the pump.

- Enforce Oregon's Renewable Fuel Standards of 10% ethanol in gasoline and 5% biodiesel in diesel fuel and respond to consumer complaints regarding motor fuel quality.
- Continue to work with renewable and alternative fuel producers and retailers to develop adequate product documentation and labeling guidelines to make sure that the federal standards for product labeling continue to be met, that consumers are able to make informed buying decisions, and that the program retains its ability to enforce the state's renewable fuel standard.

- The main responsibilities of the MFQ Program are accomplished by:
  - › Fuel inspections at terminals, wholesale dealers, retail dealers, and in-state biofuel producers
  - › Field screenings of fuel for contaminates, octane levels, and biofuel content
  - › Fuel sample testing at in-house lab and private lab to prove specification and standards
  - › Inspection of fuel storage tanks for water and other contaminates

Major accomplishments

- Screened 4,728 motor fuel samples (unleaded, mid-grade, and premium gasoline) from across the state in 2015-16 (as of August 31, 2016) for octane and visual contamination, with 15 samples failing (99.7% compliance rate).
- Examined 8,195 fuel storage tanks from across the state in 2015-16 (as of August 31, 2016), for visual contamination and excessive water, with 33 tanks having excessive water and being placed out of service until corrected.
- Pulled 92 fuel samples from across the state in 2015 and tested for compliance to American Society for Testing and Materials (ASTM) International quality standards. Of the 92 samples, 33 diesel samples were collected from across the state during the winter months (November through February) as part of ODA's winter diesel sampling program, in order to test the cold weather operability of the diesel fuel. Considering the individual regions where each fuel sample was collected, all were found to be well-suited as motor fuels given the prevailing temperatures.
- Completed first testing and evaluation of all eight compressed natural gas metering systems licensed to sell as motor fuel at retail in Oregon. During this testing campaign, it was found that one system was operating with a 20% error in favor of the customer, underscoring the benefits of third-party independent evaluation of these systems for not only the consumer, but the seller as well.

Goals

» Provide education and training to our staff as the world of motor fuel quality evolves. Provide the best possible specialized equipment to help staff accomplish their job and promote health and safety in the workplace (i.e., implementing more effective ways to control employee exposure to gasoline vapors during meter testing operations.)

» Work toward adding a new mid infrared spectrophotometer to the motor fuel quality laboratory's inventory to enhance the program's ability to determine compliance with the state's renewable fuel standard and to enhance our ability to respond to consumer complaints.

» Continue to work closely with industry representatives in the realm of biofuels, renewable energies, and clean technologies in order to add resilience and certainty to Oregon's fuel industry, while continuing to implement, regulate, and enforce Oregon's Renewable Fuel Standard.

» Stay abreast of emerging alternative fuel markets (compressed natural gas, liquefied natural gas, liquefied propane gas, electricity, biomass fuels, etc.) and the new technologies and challenges they may bring. Work with the fuel industry and fuel marketers to facilitate these changes, while providing consumers with the information they need to make informed buying decisions.

LABORATORY SERVICES

What we do

- Provide organic chemistry, inorganic chemistry, and microbiological testing services for ODA's regulatory enforcement programs, as well as many private industries and governmental programs.
- Provide analysis and technical support to ODA's Fertilizer and Pesticide Enforcement programs in an effort to reduce exposure to toxins and potential impacts on human health and the environment.
- Provide analysis and technical support to ODA's Confined Animal Feeding Operation (CAFO) Program to improve water quality on agricultural lands.
- Provide analytical and technical support to help facilitate the export of Oregon agricultural products to domestic and foreign markets.
- Provide consumer protection by conducting testing under the Interstate Milk Shippers Program, which allows milk and milk products to move across state lines.
- Conduct testing under the Interstate Shellfish Sanitation Conference's National Shellfish Program by regularly monitoring bacteria levels in waters. This allows shellfish harvested in

Oregon's waters to be sold and moved across state lines.

- Serve in the Food Emergency Response Network (FERN), which is activated when a foodborne emergency occurs to help identify the causative agent and source, and assure recovery.
- Provide organic pesticide residue analyses for DEQ Ground Water Program.
- Provide laboratory services for the Environmental Protection Agency, Department of Environmental Quality, Department of Forestry, and other state and federal agencies.

Major accomplishments

- Provided internal and external customers with timely and effective analytical responses by conducting 43,000 tests on 12,000 samples from dairy, CAFO, food, fertilizer, pesticides, bay water, shellfish, food exports, and ground water in 2015-16.
- Improved testing turnaround through cross-training staff, (moving to a six-day work week schedule and adding new equipment.
- Received ongoing FDA Cooperative Agreement grant for obtaining International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) 17025:2005 accreditation. Accreditation was granted in September 2016 by the American Association for Laboratory Accreditation (A2LA). With the accreditation, ODA's laboratory can now demonstrate it has a quality management system to help ensure confidence in food safety testing.
- Participated successfully in multiple proficiency testing programs and several on-site audits by FDA, EPA, and A2LA.
- Implemented process for tracking staff training to ensure staff are cross-trained on specific test methods and maintain competency.
- Acquired and installed a ICP (Inductively Coupled Plasma) analyzer to increase the lab's capacity for metals and element testing in support of ODA's fertilizer and pesticides programs.
- Collaborated with applicable ODA program areas (internal clients) to meet evolving testing programs needs.

Goals

» Update and replace aging laboratory equipment as funds are made available.

» Continue to seek opportunities to improve work processes for efficiency and effectiveness.

» Work toward improving physical work space to increase efficiency and explore potential for colocating department labs for optimizing shared processes.

» Maintain ISO/ IEC 17025:2005 laboratory accreditation and add to its scope by encompassing methods from all analytical program areas.

» Continuing to work toward the purchase and implementation of a new Lab Information Management System (LIMS) to increase efficiencies of the lab and offer real-time access for customers wanting to check on the status of their sample/test results.

» Provide analytical and technical support that facilitates the exporting of Oregon agricultural products to other domestic and foreign markets.

SPECIAL PROGRAMS

What we do

- Administer ODA's Wolf Depredation Compensation and Financial Assistance County Block Grant Program. ODA provides pass-through grants to qualified county wolf depredation compensation programs. County programs can distribute compensation to persons who suffer loss or injury to livestock or working dogs as a result of wolf depredation and provide financial assistance to persons who implement livestock management and/or nonlethal wolf deterrent techniques designed to discourage wolf depredation of livestock. The grant program complements and supports the Oregon Department of Fish and Wildlife's Wolf

Conservation and Management Plan in the area of developing and maintaining a cooperative livestock producer assistance program that proactively minimizes wolf-livestock conflict and assists livestock producers experiencing wolf-related livestock losses.

- Administer ODA's Egg-Laying Hen Care Program, which regulates the manner in which egg-laying hens may be confined in an enclosure. This law is intended to transition commercial egg farms in Oregon away from the use of small battery cages to larger cages and ultimately to enriched colony systems, including cage-free production systems. Among other requirements, the law prohibits the sale (distribution) of eggs or egg products into or within Oregon from hens that are confined, during

the production of the egg, in an enclosure that fails to comply with the space requirements.

Major accomplishments

- Facilitated the creation of 15 county wolf programs in the eastern, central, and southern parts of the state, with more counties working toward qualified programs.
- Awarded a total of $17,814 for direct compensation, $79,690 for missing livestock, $190,890 for prevention, and $8,980 for county administration during the 2015 and 2016 grant periods. These award totals were dispersed to 13 county wolf programs across the state.
- Received two federal wolf-livestock demonstration grants from the US Fish and Wildlife Service totaling $72,310 for 2015 to help supplement state general funds directed to ODA's Wolf Grant Program.
- Conducted first audit of hen care compliance with major commercial egg farm in Oregon.
- Investigated and successfully resolved a case involving a large out-of-state distributor of eggs into Oregon that was delivering non-compliance eggs to a grocery store chain.
- Worked with Food Safety Program field staff to provide educational and compliance literature to egg producers and distributors that do work within Oregon regarding hen care space compliance laws.

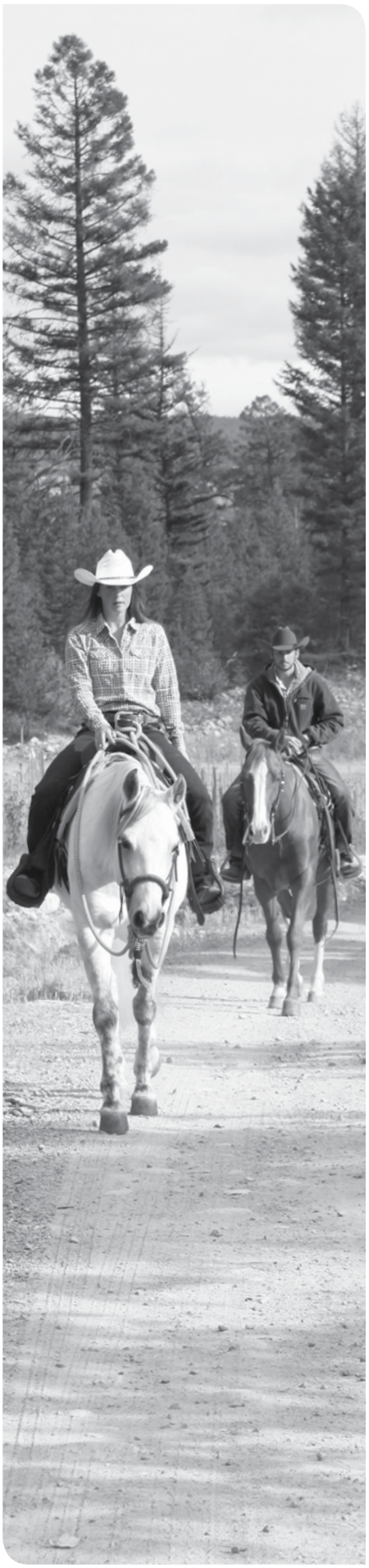
Goals

» Continue to work with legislators, county officials, and other stakeholders to offer technical support and assist established and emerging county wolf programs.

» Explore alternative revenue streams to help fund ODA's Wolf Grant Program as the state's wolf population increases, the number of eligible county wolf programs grows, and the number of grant award applications increases.

» Increase the number of in-state audits of commercial eggs farms in Oregon, while promoting self monitoring and compliance within the industry and referral of complaints to ODA regarding egg compliance issues.

» Work with an advisory group to further refine applicable administrative rules regarding SB 805 and egg-laying hen care.



Food Safety & Animal Services Programs

INTRODUCTION

The Food Safety and Animal Services Program Area (FSAS) inspects all facets of Oregon's food distribution system (except restaurants) to ensure food is safe for consumption, protect and maintain animal health, and ensure animal feeds meet nutritional and labeling standards. Specifically, FSAS works to (1) assure a safe, wholesome, properly labeled, and protected food supply, (2) ensure that feed for livestock and animals is wholesome and unadulterated, (3) prevent, control, and eliminate diseases harmful to humans and livestock, and (4) prevent livestock theft. FSAS programs are conducted statewide, affect the state's food and livestock production and distribution systems, and impact all Oregon consumers.

The food safety portion of the program area issues more than 11,000 licenses and inspects licensed firms. Programs respond to food safety issues to protect the public while working with the food industry through education and collaboration to prevent unhealthy or unsafe conditions in the food supply.

In the animal heath portion of the program area, Oregon's livestock industries and their markets are protected through programs that test for, control, and eradicate animal disease, including those transmissible to humans, and through programs that regulate the movement of livestock and other animals.

In the livestock identification portion of the program area, brand registration and brand inspections protect Oregon's livestock producers from theft and economic losses, and help producers recover estray animals.

FSAS administers Oregon laws that regulate food, feed, and animal health and identification. To achieve its goals, FSAS works with Oregon industries, local governments, neighboring states, and federal agencies.

ANIMAL HEALTH PROGRAM

What we do

- Prepare for and respond to outbreaks of animal disease.
- Work with veterinarians throughout Oregon to prevent, detect, control, and eradicate animal diseases.
- Complete several thousand veterinary diagnostic tests each year, through the Animal Health Laboratory, to help confirm Oregon livestock's health status and/or absence of certain diseases and facilitate market access for livestock.
- Issue import permits and process Certificates of Veterinary Inspection required for nearly all animals entering the state to verify these animals meet Oregon's import requirements for animal health.
- Monitor animal movement, trace disease outbreaks, and employ essential control measures directed toward protecting Oregon's animals and public.
- Cooperate with other agencies and organizations to control diseases, including USDA, Oregon State University, state public health officials, the Oregon Department of Fish and Wildlife, and the Oregon Veterinary Medical Association.
- Educate Oregon's livestock and poultry producers about disease prevention strategies as well as national and state identification and disease prevention requirements.

Major accomplishments

- Issued 8,161 import permits in 2015 covering a total of 246,350 livestock and other domestic animals entering Oregon. In 2016, between January 1, 2016 and September 30, 2016, issued 6,158 import permits covering a total of 125,542 livestock and domestic animals entering the state.
- Developed and launched new database that contains all import permits, Certificates of Veterinary Inspection for animals entering and leaving Oregon, and animal identification tags provided to producers or veterinarians. This database helps ensure rapid traceability in case of disease or disease exposure.

- Achieved a high ranking among US states for rapid response during federal animal traceability exercises.
- Collaborated with Oregon's poultry producers, state, local and federal agencies, and agricultural organizations to prepare for, and

rapidly respond to, confirmed cases of avian influenza. Introductions of the disease by migratory waterfowl to backyard birds in late 2014 and early 2015 were successfully controlled and eradicated.

- Hired full-time Avian Health Coordinator to help poultry producers participate in the National Poultry Improvement Plan, which facilitates interstate sales of poultry and poultry products. The coordinator also conducted extensive outreach and education to commercial and backyard poultry producers about strategies to prevent the spread of avian influenza and other poultry diseases.
- Maintained Oregon's disease-free status for tuberculosis, brucellosis, pseudorabies, and pullorum-typhoid by rapidly investigating and responding to reports of potential positive cases, and by collaborating with other state and federal agencies. Maintaining a "free" status facilitates interstate movement of Oregon livestock and poultry.
- Responded to cases of livestock infected by West Nile Virus (WNV). In 2015, there were six reported cases of WNV in horses, with another six horses infected in 2016.
- Conducted education and outreach to Oregon's cattle industry about prevention of trichomoniasis, a sexually transmitted disease in cattle with significant economic impacts.
- Conducted routine animal health inspections of Oregon's licensed auction markets, registered feedlots, and exotic animal permit holders.
- Hosted Western States Livestock Health Association conference in 2016 for western state animal health officials. The conference was well attended by federal and state officials.

Goals

» Help Oregon's livestock industries comply with new federal identification and traceability requirements.

» Continue to respond rapidly and accurately to animal traceback exercises to ensure rapid response in real cases of animal disease.

» Maintain disease-free status, enrollments in the National Poultry Improvement Plan, and other activities that facilitate market access for Oregon livestock and poultry products.

» Collaborate with ODA Food Safety Program to conduct disease prevention education to Oregon's livestock producers.

ANIMAL FEEDS PROGRAM

What we do

- Administer Oregon's commercial feed laws, which apply to all commercial manufacturing and distribution activities involving feed, feed ingredients, and feed additives for all animals, including livestock, aquaculture, and specialty animals.
- License persons manufacturing and/or distributing commercial feed in or into Oregon and regulate package labeling.
- Register and test commercial feed products to confirm that animal feed is safe, meets nutritional guarantees, and is in compliance with state and federal regulations.
- Regulate feed components and enforce the ban on ruminant protein in ruminant feed.

Major accomplishments

- Reviewed labels for compliance with state feed requirements for all feeds registered during the 2015 and 2016 registration years.
- Responded to questions regarding the Veterinary Feed Directive (VFD) and hosted an information session for Oregon's feed industries about the VFD.
- Collaborated with FDA, the American Association of Feed Control Officials, and other organizations on a national project to revise feed and food sampling protocols.
- Responded to questions and provided information about new regulations adopted to implement the Food Safety Modernization Act for animal food and feed.
- Adopted rules to implement SB 255, which updated Oregon's fees to register veterinary products.

Goals

» Continue to work with Oregon's animal feed industries to ensure feed content is consistent with product labels.

» Respond to potential animal health issues associated with livestock feed.

ANIMAL IDENTIFICATION PROGRAM

What we do

- Deter cattle and horse theft by having an active livestock inspection program when entering commerce, aided by brand recording for proof of ownership.
- Actively manage the recording of over 11,000 livestock brands that help verify ownership, deter theft, return lost animals to owners, and are a primary tool for animal disease trace-backs.

- Inspect approximately 1.1 million cattle annually for proof of ownership and interstate movement. Most western states participate in this activity to assure a fair and honest movement of livestock.
- Assist local and state law enforcement in livestock theft investigations.

Major accomplishments

- Conducted brand inspections on 1,019,880 head of cattle in 2015. As of September 30, 2016, conducted 622,422 brand inspections (note: much of the program's work takes place in the fall so the numbers will be much higher by the end of the 2016).

- Recorded 423 new brands and renewed approximately 2,750 livestock brands in 2015. In 2016, recorded 402 new brands and renewed approximately 2,750 brands.
- Conducted four regional trainings for 65 brand inspectors to help ensure consistency in how inspections and service are provided to livestock producers.
- Collaborated with the Animal Health Program to track livestock movement through Oregon's licensed auction markets to facilitate traceability.
- Worked with law enforcement and Washington State Department of Agriculture officials to successfully complete an investigation into a livestock theft case. The investigation resulted in prosecution of several individuals and a plea deal for one individual involved with the case.

Goals

» Complete successful transitions as key program managers and staff retire.

» Provide more services electronically, including brand inspection reporting via mobile electronic devices.

» Explore collaborating with other ODA programs to share services and keep costs stable for fee-for-service program customers.

FOOD: MANUFACTURING & RETAIL SAFETY PROGRAM

What we do

- Inspect establishments engaged in food manufacturing, baked-good production, and retail food sales by focusing on risk factors such as employee hygiene, time and temperature controls, pH, and food and ingredient sources.
- Perform annual equipment testing and calibration for food manufacturers.
- Conduct plan review and provide technical support for food establishments that have yet to become licensed, including label review and comment.
- Provide food safety expertise and oversight to all food establishments (excluding restaurants, which are handled by Public Health Division).

- Provide licenses for retail food establishments (grocery stores), food manufacturers, food warehouses, bakeries, non-alcoholic beverage plants, and domestic kitchens.
- Respond to foodborne illness outbreaks. Trace products back through the distribution system and investigate production and handling to establish and eliminate the source of the contamination.
- Provide certification services for Oregon food producers that ship products to foreign markets. Foreign markets do not allow the importation of US products without a health certificate specifically attesting that the food processor (exporter) is licensed, that its food processes meet all health, safety, and legal requirements, and that its food is freely distributed in the US.

Major accomplishments

- Completed Memorandums of Understanding with Oregon Health Authority describing how the two agencies will work together on epidemiological investigations and how ODA will coordinate regulatory responsibilities for combination food establishments.
- Established Food Safety Advisory Committee to advise program on operations, legislative concepts, budget, and ODA's role in implementing new federal food safety requirements.
- Completed 500 FDA contract inspections of food manufacturing firms per year in 2015 and 2016.
- Completed 10,008 inspections of retail, manufacturing, meat, dairy, shellfish, and seafood facilities in 2015 with a similar number of inspections in 2016. Inspection types included initial approval of new facilities, routine inspections, FDA contract inspections, complaint investigation inspections, sampling, and consultations.
- Continued to participate in Manufactured Food Regulatory Program Standards, a continuous improvement program administered by the FDA. Received

very positive audit by the FDA on our progress in conforming to national program quality standards.

- Completed additional modules in new program database that has been operating since 2014, including sampling modules for food, dairy products, and shellfish. The database provides food safety staff mobile and immediate access to licensee information and inspection reports. The development work has now concluded and due to its capabilities, the database receives very positive feedback from inspectors as well as licensees.
- Began issuing licenses to extractors, processors, and retailers of edible cannabinoid products.

Goals

» Achieve staffing levels that allow the program to meet its target inspection frequencies for all establishments. These inspection frequencies are set based on the risk classification of the establishment.

» Implement the Food Safety Modernization Act, provided federal resources are available to support implementation work.

» Serve effectively the needs of small scale, low-risk food producers who sell farm direct but aren't required to obtain a license from ODA's Food Safety Program.

» Assist Oregon's cannabinoid extractors, processors, and retailers to become licensed with the Food Safety Program and achieve and maintain compliance with Oregon's food safety laws and rules.

FOOD: DAIRY, MEAT, & EGG PROGRAMS

What we do

- Inspect dairy farms twice a year, and dairy plants four times a year, to ensure consumers receive safe and wholesome fluid milk and milk products.
- Perform inspections, sampling, and equipment checks in accordance with the Pasteurized Milk Ordinance, allowing fluid milk and milk products to be sold in other states. Manufacturing grade products, such as powdered milk, are held to similar federal requirements.
- Regulate and inspect dairy product processing plants, artisan cheese processors, and sheep and goat establishments.
- Inspect and oversee mobile and custom meat slaughtering establishments, retail markets, and pet food manufacturers. The program also visits USDA-inspected meat plants annually to confirm federal inspectors are on site.
- Provide monthly grading services for Oregon egg processors and egg grading in retail food establishments every four years. Eggs are the only food type for which food safety programs provide quality assurance because it relates to product safety.

Major accomplishments

- Hosted the National Conference on Interstate Milk Shippers in Portland in 2015. This national conference updates and adopts a national model ordinance that facilitates interstate movement of milk and dairy products.
- Collaborated with ODA Laboratory Services to help small on-farm cheese producers implement new federal product testing requirements.
- Completed a successful FDA audit of the dairy program.
- Inspected all member dairy farms in a short amount of time, after the closure of a dairy processing co-op in the state, to help them transition to new processing facilities.

Goals

» Assist additional staff in becoming state rating officers for dairy plants.

» Assist non-Grade A dairy processing plants in complying with new food processing regulations adopted to implement the Food Safety Modernization Act.

FOOD: SEAFOOD & SHELLFISH PROGRAM

What we do

- Identify pollution sources and other factors that could impact the state's shellfish and render them unfit for human consumption. Work with local and state agencies, environmental groups, industry, and other stakeholders to eliminate these pollution sources.
- Collect samples and monitor fecal coliform and water quality parameters at more than 90 established stations in Oregon's seven classified commercial shellfish growing areas. Develop and monitor growing area management plans to ensure toxin limits and water conditions are met for safe shellfish.
- Collect technical scientific measurements and evaluate commercial shellfish growing

waters and harvested meats in cooperation with the Oregon Department of Fish and Wildlife (ODFW).

- Collect shellfish meat samples and test for presence of marine toxins paralytic shellfish poisoning (PSP) and domoic acid (DA). These toxins can cause severe illness and death in humans.
- Inform and educate the public about water quality and how it affects shellfish resources as well as the potential health risks associated with consuming shellfish.
- Review Hazard Analysis and Critical Control Point (HACCP) programs and processes required for seafood and shellfish processors to prevent foodborne illness.
- Participate in the Oregon Shellfish Initiative, which focuses on the shellfish industry and how it affects tourism, local employment, and its historical value, with the goal of keeping the industry vital and growing, and elevating the industry's challenges to local, county, and state lawmaker levels.

Major accomplishments

- Worked with Oregon's Dungeness crab industry and the Oregon Department of Fish and Wildlife to monitor and respond to elevated levels of domoic acid in 2015. The result was a safe opening of the commercial crab season. Also collaborated with Washington and California regulatory agencies and crab fishers to establish consistent domoic acid thresholds.
- Gathered samples of recreationally harvested shellfish from Oregon beaches and bays to monitor levels of domoic acid and paralytic shellfish toxin, and closed areas of the coast to harvesting when these toxin levels exceeded thresholds.
- Responded to weather events and other emergencies by implementing required harvesting closures in commercial oyster production areas.
- Worked together with industry to monitor bay water quality in Oregon's commercial shellfish growing areas to maintain compliance with state and national shellfish production requirements.
- Conducted routine inspections of shellfish packing and processing plants to maintain compliance with state and national shellfish safety requirements.
- Participated on the Oregon Shellfish Task Force and conducted water quality sampling as part of a pilot project on Tillamook Bay funded by the Oregon Shellfish Initiative.

Goals

» Continue pilot monitoring project in Tillamook Bay to determine if closure times can be decreased and if additional areas of the bay can be opened to shellfish production.

» Continue coordination with Washington and California in making crab harvesting closure decisions.

Market Access & Certification Programs

INTRODUCTION

The Market Access and Certification Program Area assists Oregon's agricultural producers, processors, and fishers in their efforts to successfully sell and ship products to local, national, and international markets. The marketing portion of the program area works to promote and create demand for Oregon agricultural products. The inspection and certification portion of the program area adds value by making products more marketable. It also provides services to facilitate product movement, and services that overcome trade barriers and technical constraints affecting agriculture. These programs reach rural and urban areas alike to create jobs and sustainable opportunities for the state's multi-billion dollar agricultural sector.

CERTIFICATION SERVICES

What we do

- Provide third-party food safety inspections under USDA's Good Agricultural Practices/ Good Handling Practices Audit Verification Program to address microbial food safety hazards on the farm.
- Provide Global Food Safety Initiative (GFSI) third-party inspections and certification through a partnership with WQS Food Verification Services. These include GlobalGAP and PrimusGFS for farms and handling operations.
- Provide organic certification services under USDA's National Organic Program for crop producers and handling operations.
- Provide Maximum Residue Level Compliance certification through official sampling and analytical testing. Protocols are designed to detect specific pesticide residue or food pathogens in order to meet industry standards.
- Provide customized Identity Preserved certification to Oregon companies to verify and validate market features such as non-GMO status, traceability, and security.
- Provide third-party audit and inspection services to wine industry certification programs, including Low Input Viticulture and Enology (LIVE) for Oregon wineries, as well as the Carbon Reduction Challenge (CRC).
- Work cooperatively with public and private entities to provide verification and market access through certification services and the development of new voluntary certification programs with industry.

Major accomplishments

- Continued collaboration with USDA-APHIS and Korea's Quarantine and Inspection Agency to improve and streamline protocols for exporting fresh Oregon blueberries into the Korean market. That process was a result of ODA field surveys and commodity inspections. Oregon remains on the cutting edge of introducing the commodity to the foreign market.
- Provided auditing and certification services to GFSI-benchmarked schemes for approximately 150 growing and/or packing operations in 2015 and 2016 under partnership with WQS. The largest growth has been in the blueberry industry in the Willamette Valley, in addition to onion growers in eastern Oregon, along with fruit growers in the Hood River region.
- Certified approximately 100,000 acres of farmland under USDA GAP/GHP and/or GlobalGAP. The implementation of the Food Safety Modernization Act is expected to increase the number of operations participating in a food safety audit scheme over the next few years.
- Maintained accreditation of ODA's Organic Certification Program for crops and handling scopes following a USDA National Organic Program audit for continued compliance. The program also was evaluated for the addition of livestock to the scope of accreditation with the goal of conducting organic livestock operations as soon as spring 2017.
- Developed and delivered technical workshops around the state to educate growers and packers about new food safety initiatives, and continued advancement of existing practices.

Goals

» Continue to provide high quality, cost-effective services to Oregon's agricultural producers and handlers in a timely manner.

» Provide leadership on innovative and solution-oriented services to meet market demands of Oregon producers and handlers.

» Attain the approval from USDA to perform Organic livestock accreditation.

» Increase ability of customers to meet a greater number of market opportunities through customized service and validation.

» Develop certification staff to provide expert technical assistance to industry and continue to provide leadership to other state departments of agriculture in providing advanced certification services.

» Continue recruitment efforts to increase staffing of auditors in Salem to accommodate requests for Oregon growers due to buyer demand for GFSI-related audits.

SHIPPING POINT INSPECTION PROGRAM

What we do

- Provide services in response to the industry's requests and needs. Services include a wide range and variety of inspections and certifications, and are performed at ODA and customer facilities. These traditional inspections and certifications ensure that fruit, vegetable, and nut crops meet regulatory, customer, and marketplace standards.
- Make available official third-party verification programs for identity preserved products, food security audits, and audits of other practices at the request of industry.
- Provide product and process training to the various segments of the industry; inspection and certification oversight as it relates to voluntary or mandatory inspection and certification programs.

Major accomplishments

- Inspected more than 5.1 billion pounds of produce for processing and 1.3 billion pounds of fresh fruits, vegetables, and tree nuts in 2015, with an expected increase for 2016.
- Inspected and certified more than 376 million pounds of fresh fruits, vegetables, and nuts for export to 60 countries in 2015, including nearly 15 million pounds of apples, 40 million pounds of hazelnuts, 81 million pounds of onions, 121 million pounds of pears, and 119 million pounds of potatoes. Statistics for 2016 are not immediately available but a similar amount is projected.
- Certified over 1.6 billion pounds of hay products and grass seed straw for export in 2015, providing a cost-effective alternative to field burning for grass seed producers and an alternative market for high quality Timothy and alfalfa hay produced in Oregon.
- Consolidated field offices, from seven to five, in response to changing inspection dynamics within major growing areas in Oregon and to provide greater long-term financial sustainability for the Shipping Point program. The management team performed efficiency reviews and partnered with growers and packers to identify areas of improvement. In response to increased business costs, the program has offered industry the option of alternative inspection programs.

Goals

» Utilize the three components of certification, verification, and training to assist Oregon agriculture gain market access in domestic and international markets.

» Continue to work with industry to develop new alternatives to traditional inspection with the goal of creating new efficiencies and maintaining inspection costs at a reasonable, market level.

» Streamline phytosanitary inspection and certificate issuance processes.

» Maintain financial stability by performing routine financial and efficiency evaluations. Gain insight of industry needs and expectations through effective communication with packers, producers, and additional stakeholders.

PLANT HEALTH PROGRAM

What we do

- Provide laboratory testing of seed and plant material for viruses, bacteria, fungi, and nematodes, and conduct field inspection services to meet interstate and international phytosanitary requirements.
- Conduct surveys as required by USDA Animal and Plant Health Inspection Service (APHIS) and foreign countries to detect the presence of diseases that could result in quarantine of Oregon products.
- Provide expertise on emerging plant health issues, including the development of national policies for invasive plant pathogens and the development of model regulatory programs to address potential pathways for pathogen introduction, and expedite the trade of certified plant materials interstate and internationally.

Major accomplishments

- Provided official testing services in support of the federal *Phytophthora ramorum* certification program for nursery stock. Significant changes were made to the federal program in 2015, with efforts focused on nurseries in which *P. ramorum*, which causes sudden oak death, has been found since 2011.
- Completed several APHIS Cooperative Agricultural Pest Surveys in 2015 and 2016, that included surveys for pathogens and

parasites in specialty seed fields, potato fields, and nurseries, as well as the nut survey. These surveys support the continued export of Oregon agricultural products to interstate and international customers.

- Developed a Multi-State Model for Harmonizing grapevine nursery stock certification programs in the northwest.
- Performed official testing of nursery stock including apples, pears, plums, peaches, cherries, quince, flowering quince, blueberries, and grapevines for export. This value-added service allows nurseries to sell their nursery stock interstate and internationally as certified free from viruses.
- Inspected 721 seed fields in 2016, and 799 in 2015 for pathogens of customer and regulatory concern. These official inspections are required for the international sale of specialty crop seeds and are conducted on other specialty field crops, such as garlic, mint, and fresh potatoes to Taiwan, to support interstate and international movement of these products.
- Amended rules, with input from an advisory committee, in an effort to decrease the prevalence of blackleg, a serious plant disease, in Oregon crops.
- Continued outreach efforts have been extended to the agricultural community. An example of this is a brochure about the plant pathogen, *Xylella fastidiosa*, presenting facts on the disease and its effects on Oregon agriculture.
- Tested 8,825 seed lots in the laboratory in 2015, and have tested more than 5,681 seed lots in 2016; these official lab tests are required for the international sale of grass and other seed crops.

Goals

» Continue to work with the Oregon Department of Forestry to address the spread of *Phytophthora ramorum* (sudden oak death) in the Curry County quarantine area and across the state. Despite the current containment strategy, the disease continues to spread within mixed conifer-tanoak forests in Oregon. In 2015, the quarantine area in Curry County was expanded to 515 square miles. Additionally, survey and testing data from 2016 has shown *Phytophthora ramorum* detected in Marion, Clackamas, Lincoln, and Polk counties as well. A new approach must be devised to prevent this disease from spreading to other counties with susceptible forests.

» Finish implementation and final accreditation of STAR-D (System for True And Reliable Diagnostics) for ODA's plant health testing laboratory. This is an International Organization for Standardization (ISO)-based accreditation established by the National Plant Diagnostic Network in conjunction with the USDA Animal and Plant Health Inspection Service. This accreditation would expand the laboratory's ability to test for interstate and international customers, and to test for pathogens and parasites of federal regulatory significance.

» Review and establish efficiencies in sampling, sample receipt, and testing for export seed products. As phytosanitary testing requirements continue to multiply for top seed export markets, the export seed testing section of the lab needs to establish streamlined procedures to deal with an increasingly complicated workload. This may be accomplished with the agencywide LIMS (Laboratory Information Management System) that is being developed.

SEED PROGRAM

What we do

- Provide official seed sampling and testing for pests and disease, providing assurance that customer requirements are met.
- Provide official phytosanitary certification allowing entry of seed into foreign markets.
- Provide education and outreach

to the Oregon industry regarding Oregon seed law requirements.

- Upon complaint, the department assists with claims of slow or non-payment of contracted seed.
- Conducts random compliance reviews of seed warehouses thus helping create a level playing field for sellers of Oregon seed.

Major accomplishments

- Sampled more than 12,000 lots of seed in 2015 for official testing and verification for phytosanitary certification. This includes 994 lots for International Seed Testing Association. More than 1,400 official witnesses of fumigations were provided during this time period. Statistics for seed sampling in 2016 were not immediately available as most shippers are currently in the high season.
- Issued phytosanitary export certificates for more than 250 million pounds of Oregon seed shipments thus far for the biennium (2015–September 2016).
- Initiated a service providing on-site sampling, inspection, and issuance of phytosanitary certification at the time of service.

Goals

- Continue to streamline sampling, inspection, testing, and certification services.
- Expand, at industries request, compliance reviews of seed warehouses.

INDUSTRIAL HEMP PROGRAM

What we do

- Administer Oregon's industrial hemp laws and rules.
- Register Oregon's industrial hemp growers and handlers.
- Ensure that the hemp crop meets the definition of hemp such that the plant does not exceed 0.3% tetrahydrocannabinol (THC) on a dry weight basis.

Major accomplishments

- Finalized rules that led to the state's first legal crop of industrial hemp in 2015. Interest in this new industry has seen a dramatic increase since the first production year. In 2015, ODA licensed 12 growers. In 2016, ODA registered more than 80 growers and over 1,200 acres of industrial hemp. The department also registered 57 industrial hemp handlers and 38 agricultural hemp seed grower/handlers.
- Worked closely with the Oregon Liquor Control Commission (OLCC) and Oregon Health Authority (OHA) on procedures and policies, particularly in the development of administrative rules for sampling and testing of industrial hemp products for human consumption.
- Adopted temporary regulations for industrial hemp production with permanent rules to be filed. These rules were written to meet statutory revisions made by the 2016 legislature in House Bill 4060.

Goals

- Transition sampling and testing of industrial hemp from ODA staff to approved and accredited laboratories with the ability to provide sampling and testing of pre-harvest industrial hemp crops for THC concentration as well as processed industrial hemp products for human consumption.
- Continue working with industry to refine statutes, rules, and processes to create and maintain a level playing field for all registrants, allowing this emerging industry to thrive.

TRADE & MARKET DEVELOPMENT: INTERNATIONAL

What we do

- Provide direct buyer-seller connections for Oregon farmers, ranchers, fishers, packers, and processors through long standing relationships, outreach and education to new buyers, inbound and outbound trade missions, technical marketing activities and targeted trade shows in key export markets.
- Advocate for resolution of impediments which restrict the movement of Oregon agricultural products in the marketplace.
- Provide the necessary government-to-government interface for technical trade discussions, including resolution of technical trade barriers which restrict the movement of product for entire sectors or single shipments.
- Monitor and relay technical information to the industry regarding non-tariff trade barriers and regulatory requirements, ensuring a smooth shipment of Oregon products.
- Provide close working relationships at the federal level with the USDA Foreign Agricultural Service (FAS) and regionally as a member of the Western US Agricultural Trade Association (WUSATA), to conduct the Market Access Program (MAP) grant program funded by the USDA, which provides important program development funding for generic and branded agricultural promotions in export markets.
- Work closely with Business Oregon and other international marketing partners to coordinate statewide export development, agricultural investment initiatives, and plan and conduct Governor's trade development missions in key export markets.

Major accomplishments

- Participated as a Core Team Partner with Business Oregon, Port of Portland, and Oregon Department of Transportation in Governor Brown's Trade and Logistics Initiative to identify interim shipping options for those affected by the loss of container service at the Port of Portland and also to make recommendations to the state legislature about long-term transportation solutions. Also participated in the Agricultural Transportation Coalition's annual meeting in 2015, which focused on the west coast port slowdowns and its impact on individual agricultural companies as well as the overall flow of US trade.

- Managed the WUSATA pavilion with 19 Western US companies at the SIAL China show, Asia's largest food and beverage show. Also managed the WUSATA food service inbound trade mission from China to Oregon. This project

brought in Chinese buyers who visited Oregon farms and food processing facilities.

- Featured Oregon food and agricultural products through activities in Japan, Oregon's largest agricultural export market. These include promoting Oregon hazelnuts in seminars, sampling, and online education about the health benefits of US nuts and how they can be used in cooking; an online sales promotion to get Oregon's craft cider, craft beer, artisan cheese, canned blueberries, hazelnuts, and dried prunes included as part of the promotion of an online shopping site in Japan; working with Business Oregon and JASO (Japan American Society of Oregon) on the week of meetings around the "Doing Business in Oregon" seminar and activities in Japan; and collaborating with Travel Oregon at the Hanshin Department Store in Osaka to display food and agricultural products from Oregon as part of the Portland Fair. Miss Oregon, Ali Wallace, participated in promoting the activity, thanks to ODA sponsorship.

- Promoted awareness of Oregon craft cider with five activities/promotions across Japan with nine brands of Oregon craft cider and perry.
- Hosted several European seafood buyers at the 2016 Boston Seafood Show, one of the largest seafood trade shows in the world. All of Oregon's seafood commodity commissions were represented along with Oregon's largest seafood processors.
- Arranged two China eCommerce seminars in Portland to assist

interested Oregon businesses. Online shopping in China is the fastest growing retail sector, with many people purchasing their food and beverage products via the internet.

- Led a delegation of US companies to Guatemala and Costa Rica as part of a WUSATA trade mission in 2016, arranging one-on-one meetings with food buyers and personal company visits. Ten companies attended this mission including Bob's Red Mill from Oregon.
- Managed two WUSATA food service inbound trade missions to Oregon from China. Introduced multiple nursery buyers from China and Japan to Oregon nursery companies.

Goals

» Develop strong customer relationships within each of Oregon's eight growing regions and tie market development services together between local, domestic, and international marketing efforts to address overall successes for our customers.

» Focus efforts on recruitment of Oregon companies for planned activities and build in flexibility for changing markets of Oregon companies on a two-year planning cycle.

» Continue to build a foundation in e-commerce and explore new and innovative ways that Oregon companies can reach different markets and transportation efficiencies with these platforms.

TRADE & MARKET DEVELOPMENT: LOCAL & DOMESTIC

What we do

- Conduct small business market development workshops for entrepreneurs developing new value-added products.
- Develop local networks or "clusters" of producers to achieve greater market presence or to overcome production or distribution challenges.
- Conduct local Oregon product showcases and promotional events.
- Initiate community food systems programs to bring local producers together with local retailers and restaurants.
- Co-manage, along with the Oregon Health Authority, the federal Farm Direct Nutrition Program for farmers' markets and farm stands.
- Target regional and national markets to provide opportunities for Oregon growers and processors. These markets often are the logical "next step" for producers that have established good local markets, but want to grow.
- Provide product introduction and market access for small to medium size companies wanting to place their agricultural products into regional and national distribution.
- Target wholesale food service and specialty consumer-ready product sectors at appropriate trade show venues. These venues provide cost-effective access to targeted wholesale buyers in the United States.

Major accomplishments

- Implemented a new regional outreach strategy to better connect with agricultural and food producers/manufacturers throughout the state. Trade managers are now assigned to geographic regions to better understand the unique challenges and opportunities specific to those regions, and also work closely with corresponding Regional Solutions Teams and Business Oregon

development officers along with ODA field staff and OSU Extension personnel.

- Partnered with OSU Extension to highlight Oregon specialty crops through a series of pop-up dinners and one-way mini farmers' markets in five locations around the state. The "Crop Up Dinner Series and Market Showcase" events were well attended and successfully brought together local growers, food buyers, chefs, and the general public.
- Continued work with the Oregon Museum of Science and Industry (OMSI), as part of the Celebrate Oregon Agriculture campaign, to create and install an interactive display featuring Oregon specialty crops and the role bees have in the specialty crop industry. ODA is an annual sponsor of the Oregon Harvest Festival held each September at OMSI.

- Received a specialty crop grant to enhance social media presence of the Celebrate Oregon Agriculture Campaign and promote Oregon specially crops through a comprehensive action plan that resulted in robust engagement results in a short period of time.
- Worked with Travel Oregon to be more involved in the emerging agritourism sector of tourism in Oregon, working closely with farmers that are embarking on the opportunity for supplemental income. ODA and Travel Oregon are working together to help educate and manage best practices for the industry.
- Collaborated with ODA's Information Office to produce *Growing Oregon*, an annual publication promoting agricultural producers, processors, and products and informing consumers on ways they can experience Oregon agriculture. The magazine has been widely distributed and proven to be an effective marketing tool for Oregon food and agricultural products.
- Collaborated with Oregon Health Authority WIC program to enroll and re-authorize approximately 700 farmers annually as vendors in the Farm Direct Program and the WIC Fruit and Veggie Voucher Program for Seniors and WIC families. This allows participants to purchase fresh fruits and vegetables at an estimated 84 farmers' markets and over 330 farm stands. In 2015, Oregon farmers generated sales of approximately $1.2 million in this program.

Goals

» Continue to make buyer and seller connections on a local, regional, and national basis. New efforts include outreach strategies that bring new buyers to Oregon from marketing regions across the US, which traditionally has only occurred for international buyer groups.

» Increase opportunities for commodity groups to promote their products across platforms. Utilize culinary opportunities to cross-promote among commodities and product sectors.

SPECIALTY CROP BLOCK GRANT PROGRAM

What we do

- Enhance the competitiveness of Oregon's specialty crops by facilitating a grant program funded by the United States Department of Agriculture (USDA) Agricultural Marketing Services (AMS). For the purpose of the program, specialty crops are defined as fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture). ODA conducts an annual competitive application process to award grant funds.

Major accomplishments

- Provided outreach, development, selection, and administration of 43 projects funded by the Specialty Crop Block Grant Program in 2015 and 2016. Grants totaling

more than $1.8 million in 2015 and $1.6 million in 2016 will increase the competitiveness of Oregon's fruits, vegetables, tree nuts, nursery crops, and Christmas trees in the marketplace. Funded projects help address such agricultural priorities as market development, food safety, pest and disease management, on-farm labor needs, and training the next generation of farmers. Funded projects involve a diversity of crops and span a wide geographic area of Oregon agricultural production.

- Conducted a series of trainings to increase awareness about the Specialty Crop Block Grant Program. These included one-on-one meetings to develop stronger project proposals, presentations at conferences, and encouragement of industry to consult with ODA's marketing programs.

- Provided direct assistance to ODA staff toward development and implementation of seven projects such as: the implementation of the Crop-Up Dinner and Market Showcase event series, which occurred in five locations around the state; establishing Oregon as a pest free state for *Xylella fastidiosa*, a disease which impacts the nursery industry shipping requirements; the creation of the Oregon Bee Pilot Project, a knowledge, education, and promotion campaign for Oregon agriculture industry for specialty crop pollinator efforts; and a consumer education and outreach

strategy to highlight the different seasonably available agriculture commodities throughout Oregon's geographic growing regions.

- Organized and hosted the first Specialty Crop Block Grant Program National Conference in Portland in 2016. Representatives from 43 states and two territories attended three days of training and learning opportunities as Oregon agricultural products were showcased.

Goals

» Enhance the competitiveness of Oregon specialty crops by facilitating the development of projects that seize opportunities and address barriers for Oregon farmers, processors, and markets.

» Encourage partnership and collaboration across agricultural sectors and other state specialty crop programs.

» Look for continued opportunities to streamline program processes, provide clear and defined training opportunities to assist applicants in developing high-quality measurable projects, while facilitating a robust, open, and fair competitive process.

» Conduct training workshops and listening sessions around the state to increase opportunities for new applicants.

» Direct outreach efforts toward Oregon rural communities to encourage agriculture and food-related projects such as training and equipping the next generation of farmers, workforce training programs or tools, productivity enhancement, innovation, and value-added products.

FARM TO SCHOOL PROGRAM

What we do

- Reduce barriers to entry and engage Oregon food producers, processors, and manufacturers in the local, regional and national school food market in order to increase production, purchase, and promotion of Oregon agricultural products.
- Support effective local, regional, and national public-private partnerships in order to propel farm to school activities across Oregon.

- Conduct research and evaluation in order to: (1) Establish progress toward ODA Farm to School Program outcome measures; (2) Address critical knowledge gaps that create barriers to entry; and (3) Ensure efficient and successful implementation of farm to school programs and practices.
- Pursue strategic media and communications in order to help tell the story of Oregon agriculture while improving Oregonians' knowledge and attitudes toward purchasing, promoting, and consuming Oregon foods.

Major accomplishments

- Assisted with the implementation of SB 501 and SB 5507, which increased procurement funding to cover 100 percent of public school districts in Oregon and provided eligibility criteria for commodity commissions, trade associations, and growers to apply for farm to school education funds. About 66 percent of Oregon school districts opted in for procurement funding

for the 2015 SY, which accounts for about 90 percent of all school meals served. Oregon remains the most well-funded state in the US for farm to school efforts.

- Helped promote and expand school gardens as part of farm to school efforts. Currently, more than 600 school gardens are established in the state, often providing foods for the cafeteria that are grown by students themselves.
- Managed Oregon's FoodCorps Program and expanded it to include two additional service sites for a total of 11 in Oregon. FoodCorps service members sourced 4,200 pounds of Oregon-produced or processed foods from more than 95 Oregon producers, processors, and distributors to go into the 68 new menu items introduced to school breakfast and lunch menus. Service members continue to provide hands-on nutrition education, build and tend school gardens, and help source healthy, local food for school cafeterias.

- Applied for and received a $100,000 grant from USDA to support FoodCorps programming in Oregon.
- Created a recognition program to honor contributions made by Oregon producers to Farm to School in Oregon. Five regional Oregon Farm to School Producer Awards were announced in 2016.

Goals

» Continue to increase the procurement of Oregon agriculture in schools throughout the state. Work with stakeholders to provide assistance and seek opportunities for the agriculture industry.

» Synthesize farm to school activities with new and beginning farmer promotion programs to build in workforce training in agriculture to the farm to school model. Moving beyond nutrition education around agricultural commodities to career training and awareness of agricultural careers, also strengthens connections that support the procurement effort around farm to school.

COMMODITY COMMISSION OVERSIGHT PROGRAM

What we do

- Provide legislatively mandated monitoring and assistance to Oregon's 23 agricultural and commercial fisheries commodity commissions. These grower/harvester-funded and supported commissions include ones that are part of national marketing efforts. Commodity commissions act as industry self-help agencies. The commissioners, with the input of the program manager who serves as an ex-officio member of each commission, set direction and make decisions about marketing, research, and educational projects. The program's hands-on involvement permits the commissions to legally collect mandatory assessments from growers and harvesters.
- Manage the application and appointment process of all 23 commissions annually for revolving positions. Commissioners are appointed by the ODA director based on qualifications set out in administrative rule.
- Review budgets, all contracts and financial agreements, and act as a resource on administrative, marketing, ethical, legal compliance, and human resource matters for all 23 commodity commissions.
- Provide a communication link among the commissions and ODA, which leads to cooperative marketing and research efforts.

Major accomplishments

- Developed a master agreement template for commissions to use when implementing contracts, particularly with Oregon State University for research purposes. The template allows for reduced Department of Justice review of research contracts and ensures that standardized legal requirements are included in all such contracts.
- Worked with Commodity Commission Oversight Advisory Committee to strategize and implement program changes to manage cost increases to the commissions in supporting ODA's oversight functions.

Goals

» Continue to ensure that all commodity commissions properly distribute their resources to assist farmers, ranchers, fishers, food processors, and dealers with generic promotion, research, and education programs through administration of the Oregon Commodity Commission Oversight Program.

» Expand collaboration between ODA's Farm to School Program, Specialty Crop Block Grant Program, and market development opportunities and the commodity commissions through joint activities and projects.

Natural Resource Programs

INTRODUCTION

The Natural Resources Program Area addresses water quality and natural resource conservation on agricultural lands, the appropriate use of pesticides, labeling and sale of fertilizer, and field burning in the Willamette Valley. Through outreach efforts, compliance, monitoring, and coordination with other natural resource agencies, the programs help landowners meet society goals in a manner that makes both economic and environmental sense. In addition, maintaining high quality agricultural land in production is an important long-term strategy for Oregon.

WATER QUALITY PROGRAM

What we do

- Conduct outreach and education to landowners and local partners about agricultural water quality regulations and Oregon's water quality goals.
- Support strategic delivery of technical and financial assistance to landowners for natural resource conservation on agricultural lands.
- Evaluate water quality, landscape condition, and project data to track agriculture's progress to meet Oregon's water quality goals.
- Oversee review of all 38 water quality management plans and regulations each biennium. The plans describe strategies to improve water quality, while the regulations describe requirements in each specific area.
- Meet regularly with stakeholders to gather input on program implementation.

Major accomplishments

- Continued development and implementation of a systematic approach to assess and address conditions on agricultural lands that may impact water quality. This approach focuses local resources to provide outreach and improve conditions where needed. The initiative seeks to provide a common platform for the department, and all soil and water conservation districts (SWCDs) to report on landscape data and aggregate this information across the state.

- Piloted two Strategic Implementation Areas (SIAs) in 2015 that created close partnerships with SWCDs and landowners to improve water quality. The success of the pilot areas led to an additional six SIAs being identified in 2016. This strategic approach provides ODA with the opportunity to assess compliance with agricultural water quality laws along waterways on agricultural lands and work with landowners to achieve compliance prior to taking regulatory action.
- Resolved water quality complaints and issues, mostly through non-regulatory paths. These are win-win solutions and often result in improved operation management, livestock health, and soil retention.
- Collaborated with other agencies and private landowners to expand the Pesticide Stewardship Partnership Program. Monitoring water quality in selected watersheds where pesticide concerns were identified provided information to modify or develop pesticide use strategies to improve water quality. The program now includes eight project areas in seven watersheds.

Goals

» Protect natural resources associated with agricultural lands in Oregon by educating, assisting, and regulating producers, when needed, through the development and implementation of conservation plans and activities that protect Oregon's water quality.

» Accelerate agriculture's progress to meet Oregon's water quality goals through increased landowner participation, improvement in stream and riparian condition, and improvements in upland management.

» Continue streamlining program processes to save time and allow staff to devote more time to strategic planning and compliance work.

» Enhance coordination and collaboration with partners to improve program implementation and be more strategic.

» Continue conducting compliance assessments of agricultural lands in Strategic Implementation Areas. This includes working with landowners in these areas to address problems.

CONFINED ANIMAL FEEDING OPERATIONS (CAFO) PROGRAM

What we do

- Operate under a memorandum of agreement with the Department of Environmental Quality (DEQ) to permit animal feeding operations and achieve compliance with state and federal laws.
- ODA and DEQ (through the Environmental Quality Commission) jointly issue the National Pollutant Discharge Elimination System (NPDES) CAFO permit and the Oregon Water Pollution Control Facility (WPCF) permit.
- Conduct routine annual inspections of CAFO facilities to ensure

animal waste does not cause water pollution.

- Respond to complaints about animal waste entering surface or ground waters.
- Help CAFO operators comply with reporting and record-keeping requirements.
- Provide operational reviews at the request of CAFO operators, and assistance in the development and operation of Animal Waste Management Plans.
- Maintain a statewide CAFO Program advisory committee of farmers, ranchers, industry representatives, and interested public to identify opportunities for improvement.

Major accomplishments

- Adopted a new CAFO National Pollutant Discharge Elimination System (NPDES) general permit to replace the one that expired in 2014.
- Established a new CAFO Water Pollution Control Facilities (WPCF) permit for those operations not required to register to the NPDES general permit because of recent changes in the EPA CAFO rule.
- Continued to implement a "performance based" CAFO inspection program, which maintains a positive relationship between ODA and the regulated community, and helps facilities comply with water quality laws.
- Conducted 484 routine annual inspections, 67 follow-up inspections, 21 complaint inspections, and 136 other type of inspections in 2015. As of October 21, 2016, conducted 458 routine annual inspections, 39 follow-up inspections, 33 compliant inspections, and 100 other types of inspections.

Goals

» Provide a framework of regulation that protects water and air quality while allowing animal feeding facilities to operate in Oregon.

» Maintain the well-received and effective inspection, enforcement, outreach, and compliance assistance program for permitted CAFOs.

» Continue coordination with DEQ and EPA on program operations and outcomes.

» Provide education and outreach to ensure an opportunity for concerned Oregonians to participate in the public process on CAFO-related issues that may affect them.

WATER RESOURCES/ WATER QUANTITY PROGRAM

What we do

- Address water resource and water quantity issues related to agricultural needs and existing statutory authorities.
- Enhance economic opportunities for agriculture through development of water resources.
- Help implement agriculture's role in Oregon's Integrated Water Resources Strategy.

Major accomplishments

- Worked with landowners and stakeholders to prepare and submit applications to extend the term of reservations of appropriated water in the Hood, Grande Ronde, Burnt, Malheur, and Owyhee administrative basins for an additional 20 years.
- Developed a GIS-based model to estimate irrigation demand, and applied it to the Willamette Basin for the Willamette Basin Reservoir Study, a joint water supply investigation between the Corps of Engineers and the State of Oregon.
- Worked with the Malheur County Soil and Water Conservation District to plan, organize, and hold the first Water Resources Forum for the purpose of bringing scientific and technological advances to, and encouraging discussion of, a broad range of topics relevant to agriculture. Topics included irrigation efficiency, soil health, pesticides, funding for water projects, water quality, and developing flow regimes for threatened and endangered fish.
- Collaborated with members of the Interagency Water Supply Committee for drought monitoring to develop new near- and long-term metrics and methods to improve accuracy of drought projections, evaluations, and preparedness.
- Worked with federal and other state agencies and entities in Oregon and Washington to secure support to update the NOAA atlas of precipitation frequency and duration information from Atlas 2 (published in 1973) to the more recent Atlas 14. The Atlas provides design criteria for CAFO storage facilities, water quality best management practices, dam safety, and other uses.

Goals

» Play an active role in assisting and encouraging the development and implementation of water resource projects that are beneficial to the state of Oregon and individual landowners.

SOIL & WATER CONSERVATION DISTRICTS PROGRAM

What we do

- Assist 45 local soil and water conservation districts (SWCDs) that, in turn, help landowners properly manage Oregon's natural resources.
- Support the state Soil and Water Conservation Commission (SWCC).
- Support the SWCD board of directors election process.
- Provide administrative oversight, operations assistance, and state funding coordination to Oregon's SWCDs.
- Assist SWCDs with Oregon Revised Statutes compliance.
- Administer a program that has distributed $6.25 million under Oregon Watershed Enhancement Board grant agreements to Oregon's 45 SWCDs. These funds allow SWCDs to help landowners with conservation planning, project design, and projects associated with local Agricultural Water Quality Area Management Plans.

Major accomplishments

- Assisted SWCDs with long-range planning, and updating their long-range business plans for the 2015-17 biennium.
- Provided training to current and newly elected directors, SWCD staff, and partners to ensure knowledge of responsibilities. The training focused on leadership and fraud prevention with improved financial reports.
- Provided SWCD manager training, focusing on time management and employee coaching.
- Provided daily assistance to SWCD personnel regarding human resources, legal obligations, risk mitigation, grant administration, and other operation issues and challenges.

Goals

» Provide assistance and guidance to all 45 SWCDs on effective district operation, including long-range business plans, financial management, and legal compliance.

» Provide assistance to SWCDs planning to pursue an ad valorem tax.

» Assist the Soil and Water Conservation Commission in providing leadership and guidance to ODA and all SWCD directors and staff statewide.

PESTICIDES PROGRAM

What we do

- Protect Oregon's environment and public health by ensuring the proper and legal sale, use, and distribution of pesticide products. Pesticide products include substances intended to control or manage pests. Herbicides, insecticides, fungicides, rodenticides, repellents, and disinfectants are examples of pesticide products. These products are used for agriculture and forestry pest control, and in a wide variety of commercial, public, and residential sites.
- Register pesticide and fertilizer products for sale, use, or distribution in Oregon. The US Environmental Protection Agency (EPA) determines the uses and restrictions of each pesticide product. ODA's Pesticides Program ensures compliance and accuracy of information contained on the product label.
- Issue pesticide applicator licenses where level of knowledge and expertise to perform pesticide application activities lawfully has been met. This is accomplished by applicators passing specific written examinations administered by ODA prior to licensing.
- Provide outreach and education to licensed pesticide users and the general public. This is done through continuing education training courses, informational brochures, the ODA website, and one-on-one communication.
- Communicate laws and regulations to pesticide applicators and the public. This includes changes to product labels to mitigate risks to people, animals, endangered species, waterways, etc.
- Conduct routine compliance monitoring, investigate complaints of alleged pesticide misuse, and administer enforcement action when appropriate. Enforcement actions, including civil penalties, play a vital role in deterring unlawful use of pesticides.
- Request special authorizations from EPA for specific pesticide use. This includes Special Local Need registrations or emergency exemptions to control potentially devastating pests and diseases.
- Administer, and participate as a key member of, the Pesticide Analytical and Response Center (PARC), which reviews claims of adverse health, or environmental harm associated with pesticide use.

Major accomplishments

- Increased pesticide investigative staff and resources to improve program's ability to respond to citizen pesticide use concerns and compliance with pesticide laws. This included establishing an online incident complaint form and a 24/7 hotline for the public to report pesticide incidents and concerns, and adding four additional pesticide investigators,

a case reviewer, and a citizen advocate for the program.

- Reviewed and updated investigation procedures and policies to meet the changing needs of the program.
- Ensured pesticide products used in Oregon are registered and labeled correctly, and people are applying pesticides in a lawful manner. Keeping track of pesticide products and licensed users helps safeguard human health and the environment. ODA presently registers approximately 13,000 pesticide products annually.
- Processed applications and issued pesticide licenses to businesses and applicators. Those licensees include private, public, and commercial pesticide applicators, trainees, operators, dealers, and consultants. Approximately 12,600 licenses are processed and issued annually.
- Created rules and process, as directed by the legislature, for individuals to be licensed to apply pesticides from the air.
- Administered approximately 4,400 pesticide certification or re-certification examinations throughout the state in order to ensure a base level of competency of certified applicators and to meet federal requirements. Certification is required prior to licensing as a pesticide applicator, pesticide consultant, or private pesticide applicator. For commercial and public applicators, pesticide certification in specific use categories is required for the type of applications conducted and is contingent upon taking, and passing, written examinations.
- Responded to pesticide-related complaints and use concerns dealing with pesticide application activities. ODA initiated investigations of over 200 pesticide-related incidents that were complaint driven. Special focus has been directed to incidents and concerns affecting pollinators. For commercial applicators, pollinator protection has been emphasized in presentations, recertification classes, and exams.

- Conducted routine compliance monitoring, and responded to pesticide-related complaints and concerns associated with sales, use and distribution. In 2015-16, ODA initiated over 450 compliance investigations each year and issued an average of 140 enforcement responses for violations of the Pesticide Control Law (ORS 634). Enforcement responses included issuance of stop sale, use, or removal orders, notices of violations, civil penalties, license action, and referrals to EPA.
- Conducted educational/outreach presentations to over 5,000 licensees, industry groups, and the public regarding changes in pesticide regulation enacted or proposed by ODA or EPA.
- Implemented licensing, record keeping, and use requirements for public and private school employees established by integrated pest management in schools legislation.
- Prohibited the application of any pesticide product containing dinotefuran, imidacloprid, thiamethoxam, or clothianidin to linden trees or other *Tilia* species. This regulatory action was taken to prevent the likelihood of bumble bee deaths.
- Implemented an effective coexistence outreach and education campaign that addresses pesticide drift concerns between wine growers and other agricultural producers.
- Administered PARC, which reviewed incidents of alleged health or environmental harm associated with pesticide use. Data collected by PARC is used to make policy recommendations for action.
- Worked with PARC-member agencies to improve standard operating procedures for communication and coordination of incidents of pesticide exposure to humans, animals, and the environment.
- Collaborated with other key state agencies and EPA through the Water Quality Pesticide Management Team to evaluate the impact of pesticides on groundwater and surface water in Oregon.

- Provided information and comments, and made suggestions regarding changes in pesticide regulation enacted or proposed by the EPA.
- Collaborated with key state lead agencies and the EPA to evaluate and provide feedback associated with biological opinions developed by the US National Marine Fisheries Service.

- Established a webpage to assist cannabis growers in distinguishing pesticide products whose labels do not legally prohibit use on cannabis from those that clearly do not allow use.
- Initiated compliance actions for products that contain pesticides that are not listed on the ingredients, that are not registered in Oregon as a pesticide product, and that have resulted in cannabis products being unavailable for sale because of pesticide contamination.

Goals

» Complete transition from paper-based to computer based testing of pesticide applicators as part of the certification and licensing process. The long-term goal has been to create efficiencies by having all tests administered electronically with the exception of special cases that still require paper-based tests.

» Coordinate with Oregon State University to communicate changes in federal and/or state pesticide regulations and to implement the Integrated Pest Management in Schools Program.

» Continue collaborating with Oregon State University and others to develop brochures and other helpful materials that emphasize pollinator protection.

» Provide assistance to the cannabis industry regarding the legal and safe use of approved pesticides.

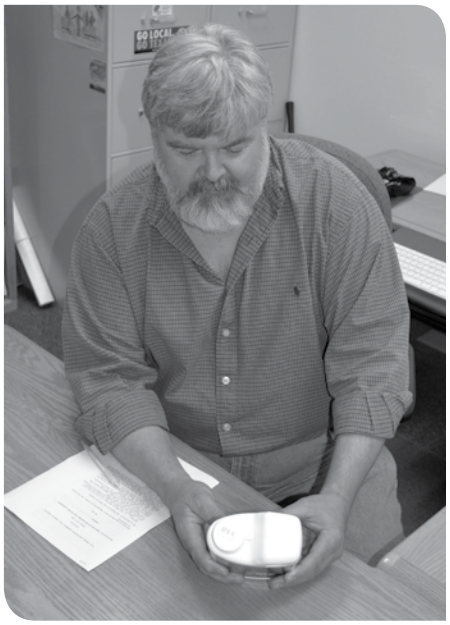
» Collaborate with Oregon Department of Environmental Quality, Oregon Department of Forestry, and Oregon Health Authority through a memorandum of understanding to implement the pesticide management plan to address pesticides found in surface and ground water.

» Establish training for pesticide operators to be qualified to provide training required to meet new EPA Worker Protection Standards by developing and implementing a train-the-trainer program in cooperation with Oregon State University.

FERTILIZERS PROGRAM

What we do

- Conduct marketplace inspections of fertilizer and other soil-amending products to ensure compliance with state law and collect samples for nutrient analysis and heavy metal content.
- Protect consumers by ensuring that claims made on a label accurately represent the product. Product registration facilitates review and evaluation of label claims, and ensures heavy metal levels do not exceed state limits for arsenic, cadmium, lead, mercury, and nickel. This program addresses products used in agriculture, urban/residential, and hydroponics.



Major accomplishments

- Developed and implemented amended statute and rules to ensure the continued funding of the program's fertilizer research grant program.
- Registered 10,000 fertilizer, agricultural mineral, agricultural amendment, and lime products in 2013, amounting to 1.3 million tons of product (calendar year 2014 tonnage). The program also licensed 259 manufacturer/bulk distributors.
- Conducted 91 and 78 marketplace inspections in 2014 and 2015, respectively. Sampled and analyzed 315 and 293 products in 2014 and 2015, respectively, for accurate claims.
- Issued 81 enforcement responses in 2014 and 75 enforcement responses in 2015 for violations of the fertilizer laws and regulations (ORS 633). Enforcement actions includes issuance of notices of violation and civil penalties.
- Provided grant monies to research interactions, through ODA's Fertilizer Research Program, for projects that address the interactions of fertilizers, agricultural minerals, and agricultural amendments with ground or surface water.

Goals

» Protect consumers by ensuring uniform and accurate product labeling and that claims made on a fertilizer product label accurately represent the product.

» Provide assurance, through product sampling and analysis, that fertilizer products provide the nutrients claimed.

» Assure protection for Oregon's environment and natural resources from heavy metals, excess nutrients, and other contaminants.

» Support fertilizer research and development that funds research projects on the interactions of products with ground and surface water.

» Continue to work with fertilizer industry representatives, the legislature, and interested parties to implement the base fertilizer program and fertilizer-related research.

Plant Protection & Conservation Programs

INTRODUCTION

The Plant Protection and Conservation Programs Area protects Oregon's agricultural industries and natural resources from harmful invasive plant pests and noxious weeds; enhances the value and marketability of exported nursery stock, Christmas trees, seeds, and other agricultural products; and furthers the conservation of threatened and endangered plants. This is accomplished through four programs: Insect Pest Prevention and Management, Native Plant Conservation, Noxious Weed Control, and Nursery and Christmas Tree.

INSECT PEST PREVENTION & MANAGEMENT PROGRAM

What we do

- Enact and enforce quarantine regulations to protect Oregon from invasive invertebrate pests as a first line of defense.
- Design and implement statewide surveys to quickly detect populations of key invasive pests before they can establish.
- Eradicate populations of invasive pests while they are still low in numbers so that economic and environmental harm is prevented, and the cost of eradication is affordable.
- Design and implement control projects for established invasive pests, including biological control.
- Provide insect identification, technical information, and general outreach for stakeholders, agriculturalists, and the general public.

Major accomplishments

- Successfully concluded the third-largest Asian Gypsy Moth (AGM) eradication treatment in Oregon's history, treating roughly 7,000 acres in northwest Portland, part of the Forest Park, and the Port of Vancouver, Washington, with an entomo-pathogen, *Bacillus thuringiensis* var. *kurstaki*. The project's great success is attributed to the unique collaboration of all affected stakeholders on local, state, and federal level, including grass-root and environmental interest groups. Following the AGM eradication efforts, thousands of Gypsy moth traps were deployed in the treated areas and also throughout the rest of the state.

- Detected the largest Japanese beetle (JB) infestation in Oregon's history in a neighborhood in northwest Portland. Due to budget reductions in the JB Program, this infestation may have gone undetected for several years. More than 365 beetles were detected in an area of about 1,000 acres, affecting about 1,500 residences. Preparations are being made for eradication in spring 2017. The treatment project likely will take more than five years.
- Detected additional European Gypsy moths (GM) in the Grants Pass area, where several moths have been caught over the last three years, and at a new site east of Springfield, along the McKenzie River.
- Trapped three additional light brown apple moths (LBAM) near Independence in Polk County. This is a clear indicator of an established LBAM population at this site, which is the first documented established LBAM population outside of California. LBAM is a major quarantine issue for California's nursery and fruit industry.
- Detected about 40 *Xylosandrus crassiusculus*, the Asian ambrosia beetle, in the railroad tie plant in The Dalles. Ten years ago, ODA successfully eradicated an Asian ambrosia beetle population at that site.
- Conducted several national bark beetle identification workshops attended by state and federal cooperators, and private foresters.
- Identified a record-high 25 new exotic species in 2015-16. Several are new to North America, the US, or to Oregon. This indicates the increasing risk of invasives and trade. Among the new invasive species: the Asian jumping worm, *Amynthas gracilis*. This earthworm was reported in several counties in western Oregon and was likely introduced to and spread in Oregon through compost material. The Asian jumping worm is commercially available in many states and well established in the eastern US. Adverse ecological impacts are being reported from areas with established populations.
- Identified two biocontrol agents associated with the exotic ash whitefly that made headlines because of massive clouds of the pest appearing in Portland and other areas. These were introduced naturally into Oregon for the first

time. The tiny parasitic wasp, Encarsia, and the coccinelid beetle, *Clitostethus arcuatus*, are being reared as natural enemies of the whitefly for releases in areas where the biocontrol agents are not found.

- Published a booklet on native Oregon bees, showcasing extremely detailed high resolution images from the program's digital imaging specialist.

Goals

» Continue early detection/rapid response of serious invasive pests, including Gypsy moth, Japanese beetle, exotic wood borers, and other invertebrate pests not native to Oregon.

» Continue to eradicate small incipient invasive species populations where possible.

» Develop and implement existing biological control projects to manage established invasive pest populations.

» Continue to improve identification of invasive pests using digital imaging system and molecular diagnostic tools.

» Continue to reach out to all affected stakeholders, including local, state, federal, and public agencies and partners coordinating invasive species management efforts.

» Coordinate alignment of programs with the Governor's Water Quality Initiative.

NATIVE PLANT CONSERVATION PROGRAM

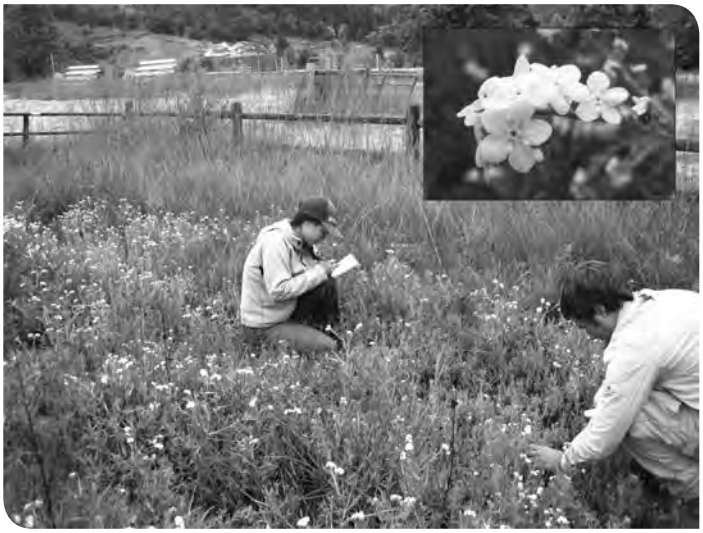
What we do

- Protect and conserve Oregon's native flora and vanishing habitats by assisting public agencies and private citizens on management of threatened and endangered native plants.
- Set priorities for the establishment of conservation programs and plans for protected native plant species.
- Provide guidance and support to state and local government agencies managing lands that contain state- or federally-listed plant species or their habitat.
- Maintain a system of permits, to regulate research and commercial activities associated with collecting or other actions that may affect protected plant species on public lands.
- Establish and revise Oregon's list of protected native plants, as well as providing state review of the federal government's process for listing Oregon plant species under the federal Endangered Species Act (ESA).
- Conduct research on Oregon public lands to develop protocols focusing on protected species recovery efforts, designed to aid in their eventual delisting.

Major accomplishments

- Returned more than 4,500 bulbs of the endangered Gentner's fritillary to the wild as part of ongoing recovery efforts for this rare lily of southern Oregon. Along with agency partners and other concerned parties, the program is planning a working group meeting to direct upcoming work and goals for the potential downlisting of the species by the year 2020.
- Collected seedlings of the extremely rare Columbia yellowcress (*Rorippa columbiae*), which is a candidate for listing as either threatened or endangered, from two natural sites and returned to OSU for cultivation. In preparation for developing a conservation agreement that will guide land managers to better protect this species, the collected plants will be used in a study to provide information on how different precipitation regimes might affect natural populations.
- Continued the cultivation of one of the state's rarest plants, Oregon semaphore grass, in order to supply planting efforts next year that will bolster existing populations and attempt to create new ones in the wild.
- Collected and conserved seeds of the endangered Applegate's milkvetch (*Astragalus applegatei*) as part of a mitigation plan for upcoming impacts to the population occurring on the Klamath Falls airport property, which is the largest natural population of the plant on public land.
- Completed data collection for a study to determine the effect, if any, of dyer's woad (*Isatis tinctoria*) seeds on the germination of the rare Siskiyou mariposa lily (*Calochortus persistens*), which is known in only three sites in southern Oregon and northern California. Results of the study will help the program better understand the potential threat of this listed weed that infests Siskiyou mariposa lily's habitat.
- Coordinated with partners on projects to protect endangered plant species. These efforts include working with ODA's Noxious Weed Program and the Oregon Parks and Recreation Department on

an herbicide application project to control matgrass (an A-listed weed) at a site on the southern coast where there is a large natural population of the endangered western lily (*Lilium occidentale*). Also coordinated efforts with Bureau of Land Management (BLM), US Fish and Wildlife Service (USFWS), and Douglas Soil and Water Conservation District to inventory the endangered rough popcornflower (*Plagiobothrys hirtus*) around the Roseburg area.



- Completed a preliminary review of a recently submitted petition to list four Oregon plant species as threatened or endangered including *Lomatium ochocense*, *Eriogonum villosissimum*, and *Kalmiopsis fragrans*.
- Conducted a thorough site survey of the only known natural occurrence of the endangered Malheur wirelettuce to determine effectiveness of past recovery efforts. This project is likely the final stage in a longstanding partnership with the US Fish and Wildlife Service to attempt to recover this species. Only three plants of the target species were encountered, while none were found last year. Unfortunately this suggests that the species is functionally extinct in the wild because the population has dwindled to an unsustainable small size. With this information, the USFWS can redirect funding to other high priority and more attainable recovery efforts.

Goals

» Reduce the number of imperiled native plant populations, species, and critical habitats on public lands and implement actions to address major threats to endangered plant species survival.

» Resume annual evaluations of state threatened and endangered native plant species lists to ensure that only those species in need of protection (based on best available data) appear on the lists.

» Secure base funding to maintain regulatory and consultation work (as required under OAR 603-073-0090) so that staff can assist local and state agencies in meeting their obligations under the Endangered Species Act (ESA).

NOXIOUS WEED CONTROL PROGRAM

What we do

- Protect Oregon's natural resources and agricultural economy from the invasion and proliferation of invasive noxious weeds.
- Provide leadership and coordination for invasive noxious weed management in Oregon and the region in collaboration with the State Weed Board and local, state, federal, and public agencies and partners.
- Enact and enforce weed quarantine regulations to protect Oregon from introductions of invasive noxious weeds.
- Survey for invasive noxious weeds so that newly introduced populations are detected and treated as soon as possible.
- Coordinate and serve as a technical resource for integrated invasive noxious weed management issues, including acting as a primary resource for weed identification and mapping.
- Provide public outreach, education, and awareness for invasive noxious weed issues.
- Conduct plant risk assessments and make recommendations to the State Weed Board for potential noxious weed listing.
- Implement early detection and rapid response projects for new invaders. This includes eradication of invasive noxious weed populations while they still are low in numbers so that economic and environmental harm is prevented and the cost of eradication is affordable.
- Introduce and redistribute biological control agents to reduce the impacts of invasive noxious weeds that are widespread to reduce economic and environmental harm and minimize herbicide use.
- Administer the Oregon Watershed Enhancement Board OWEB)/State Weed Board Noxious Weed Grant

Program, coordinate with stakeholders, and evaluate efficacy of grant projects.

Major accomplishments

- Finalized a five-year strategic plan that provides a vision and needs for the Noxious Weed Control Program's future as well as an outline of the program vision in the protection of natural resources, including water.
- Updated ODA's noxious weed quarantine rule to include more A- and B-rated noxious weed species following the decision of the State Weed Board. New additions to the A list: Cape ivy, Common frogbit, Garden yellow loosestrife, Hoary alyssum, Ravenagrass, West Indian sponge plant, and Water soldiers. The B list additions: Atlantic ivy, Pheasants eye, Ribbongrass, St. Johnswort, and Milk thistle.
- Detected and treated new invasive weeds of concern throughout the state, including a new A-rated weed, garden loosestrife (*Lysimachia vulgaris*) on the Willamette River, the A-rated matgrass (*Nardus stricta*) in Clatsop and Curry counties, and welted thistle detected in Wallowa County.
- Placed high emphasis in conducting surveys and supporting cooperator demonstration control projects through Oregon State Weed Board Grants for *Ludwigia peploides*, water primrose. Over the last 15 years, this B-rated aquatic noxious weed has reached alarming population levels and now is threatening the Willamette River system. The presence of *Ludwigia* has serious adverse ecological and economic impact on our water resources that includes fish and wildlife species.
- Supported the Oregon State Weed Board as it reviewed 57 submitted grants, of which the board approved 49 grants for full funding and one for partial funding. The State Weed Board emphasized the importance of aquatic noxious weeds and their impact on Oregon's watersheds and water quality.

- Pulled together a flowering rush coordination committee that included stakeholders in Oregon and Washington, and hosted biennial meetings and a tour. These meetings allowed for discussion of survey and control work done on the Columbia River in Oregon and Washington. Control of flowering rush, a serious aquatic noxious weed, is moving forward despite new sites detected down stream from McNary Dam and some environmental assessment hurdles within the US Army Corps of Engineers for treating some new sites. Eradication efforts continue despite most sites, where flowering rush was mechanically removed in 2015, not showing new plant regrowth. However, larger infestations still occur up river in Washington on the Columbia and Yakima rivers which require more attention.
- Developed a biological control white paper and presented it at several national meetings. "A Clogged Biological Control Pipeline: Time for a Solution," describes the current situation concerning the federal approval system for noxious weed biological control agents, highlighting bureaucratic red tape between USDA-Animal Plant Health Inspection Service (APHIS) and US Fish & Wildlife Service. Over the last few years, very few weed biocontrol agents have been approved by APHIS. Both agencies blame each other for the clogged system. Several weed biocontrol agents are stuck in this pipeline process, which is frustrating because of the demonstrated success of biocontrol projects.
- Attended and participated in the Western Invasive Weed Summit in Boise, Idaho. This meeting brought together 250 federal, state, county, non-government organizations (NGOs), and private land managers and policymakers from 11 western states. One of the primary discussions was invasive annual grasses and other invasive weed impacts on sage grouse conservation, and an action plan to support invasive weed control efforts in the western US through additional funding, coordination and capacity for invasive weed control entities at all levels in the west.

- Hosted the first Oregon English Ivy Forum with almost 100 participants, sharing state-of-the-art information on the integrated control and management of English ivy. An English ivy resource page is available on the ODA website.
- Assisted in redesigning the old Deschutes County Weed Wagon into a new invasive species education and outreach trailer for use around the state. The Noxious Weed program uses the "Invasive Species Education Station" trailer at the Oregon State Fair and other events.

Goals

» Implement goals in the program's five-year plan that includes exploring funding options for county and state weed-control programs.

» Continue to lead and collaborate with all stakeholders on invasive noxious weed control efforts. Prevent the establishment and spread of "A" invasive noxious weeds and prevent "B" invasive noxious weeds from spreading to new areas.

» Continue to implement an effective early detection and rapid response approach to dealing with important invasive noxious weeds.

» Continue to assist in the approval of $2.5 million in State Weed Board grant funds for protection and conservation of fish and wildlife habitat, and for improving water quality and watershed health.

» Align program's goals with the Governor's Water Quality Initiative and other state priorities, such as sage grouse habitat conservation.

NURSERY & CHRISTMAS TREE PROGRAM

What we do

- Inspect and certify Oregon-grown nursery stock and Christmas trees shipped out-of-state to meet the importation requirements of other states and countries.
- Help growers produce nursery stock and Christmas trees that are free of insect pests, diseases, and weeds so that harmful pests aren't spread.
- Assist growers in maintaining Oregon's reputation for high-quality nursery stock and Christmas trees.

- Inspect high-risk imported nursery stock so that unhealthy nursery stock doesn't bring insect pests, plant diseases, or weeds to Oregon.
- Participate in the USDA *Phytophthora ramorum* (sudden oak death/SOD) nursery certification program ensuring Oregon nursery stock can be shipped to other states and countries.
- Conduct a Grower Assisted Inspection Program (GAIP) to help growers implement best management practices to reduce plant pests and diseases.
- Cooperate with stakeholders, such as the Oregon Association of Nurseries and other state and federal counterparts, to improve the cleanliness of nursery stock and Christmas trees entering and leaving Oregon.

Major accomplishments

- Implemented a 180-day emergency quarantine rule for *Xylella fastidiosa*, a bacterium new to Oregon that causes phony beach disease in certain plants in the southern US and Pierce's disease in grapevines. The disease can be vectored by sucking insects. The recent detection of *X. fastidiosa* in Italy prompted the European Plant Protection Organization (EPPO) to blanket quarantine the US for all host plants, which amounts to a long list, including blueberry, raspberry, and maple trees. ODA's Nursery and Plant Health programs surveyed for the disease in the affected counties and were able to establish 12 counties as pest free areas or production sites in Oregon, so trade could resume from Oregon to Europe.
- Facilitated a more successful Christmas tree shipping season to the Hawaii market, with Hawaii only rejecting about 3 percent of Oregon Christmas tree containers, compared with 31 percent, 16 percent, and 13 percent in 2012, 2013, and 2014, respectively. However, Mexico rejected almost 2 percent of all Oregon Christmas trees because of the presence of quarantine pests. The Christmas Tree Program participated in a bilateral meeting with officials from the Mexican Forest Service, the Mexican Border Inspection Agency, and the USDA-APHIS International Services in Mexico City to discuss the Christmas tree quarantine. The review, which potentially includes more phytosanitary restrictions for Oregon, will not affect the 2016 shipping season, but ODA will continue to work with the state's Christmas tree industry to mitigate pest issues affecting rejections at the Mexican border.

- Inspected and tested a majority of those Oregon nurseries susceptible to SOD with no signs of the disease. In addition, one nursery was released from the federal SOD

compliance program after three years of negative data.

- Attended a System Approach to Nursery Certification (SANC) workshop held in Orlando, Florida. SANC is a state-level nursery certification program using a system rather than a shipping point inspection approach. Oregon Pride Nurseries is one of the eight pilot nurseries in seven states participating in the program. The long-term objective of SANC program is to apply this system approach nursery certification and potentially replace all other current nursery certification programs in the US.

Goals

» Consider options of restructuring the program with input from the nursery industry. Additional retirements of several nursery inspectors and continuous funding issues offer the opportunity to consider changes.

» Find ways to better ensure Oregon produced nursery stock and Christmas trees are free of pests through inspection and certification services.

» Continue to prevent the introduction and spread of invasive pests on imported nursery stock by inspection and enforcement of quarantine rules. Inspect incoming shipments of plants for compliance with US and Oregon quarantine rules.

ODA Directory

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Director

Bruce Pokarney
Director of Communications

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Online

www.oregon.gov/ODA/AboutUs

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Information & Complaints

Avian Influenza Info: 800-347-7028

Cannabis Info: 503-986-4565

Farm Mediation: 503-986-4558

Grower Burning Info: 503-986-4755

Invasive Species: 866-468-2337

Pesticide Complaints: 503-986-4635

Shellfish Safety: 800-448-2474

Smoke Complaints: 503-986-4709

FOOD SAFETY AND ANIMAL SERVICES PROGRAMS

Stephanie Page
Director

Brad LeaMaster
State Veterinarian

The Food Safety and Animal Services Programs inspect all facets of Oregon's food distribution system (except restaurants) to ensure food is safe for consumption, protect and maintain animal health, and ensure animal feeds meet nutritional and labeling standards. In the food safety portion of the program area, nearly 7,000 food establishments in Oregon are licensed and inspected. Programs respond to food safety issues to protect the public while working with the food industry through education and collaboration to prevent unhealthy or unsafe conditions in the food supply. In the animal health portion of the program area, Oregon's livestock industries and their markets are protected through programs that test for, control, and eradicate animal disease. The animal identification portion of the program area works to deny a market in stolen livestock through brand registrations, brand inspections, and theft investigations.

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www.oregon.gov/ODA/programs/AnimalHealthFeedsLivestockID

INTERNAL SERVICES AND CONSUMER PROTECTION PROGRAMS

Jason Barber
Director

The Internal Services and Consumer Protection (ISCP) Programs provide consumer protection, ensure fair competition among businesses, and facilitates interstate commerce and international trade. This is done by: ensuring the accuracy, validity, uniformity, and confidence in Oregon's Commercial Weighing System; ensuring that motor fuels sold in Oregon meet national standards for quality; providing safe, accurate, timely, and cost-efficient laboratory analysis and technical support to ODA enforcement programs and other local, state and federal agencies; providing analytical and technical support for moving value added food products to domestic and foreign markets. ISCP Programs also administer the Wolf Depredation Compensation Grant and the Egg-Laying Hen Care programs.

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MARKET ACCESS AND CERTIFICATION PROGRAMS

Lindsay Eng
Director

Terry Fasel
Marketing Director

The Market Access and Certification Programs assist Oregon's agricultural producers to successfully sell and ship products to local, national, and international markets. The marketing portion of the program area works to promote and create demand for Oregon agricultural products. The inspection and certification portion of the program area adds value by making products more marketable. It also provides services to facilitate product movement, and services that overcome trade barriers and technical constraints affecting agriculture. These programs reach rural and urban areas alike to create jobs and sustainable opportunities for the state's multi-billion dollar agricultural sector.

Addresses

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www.oregon.gov/ODA/programs/MarketAccess

www.oregon.gov/ODA/programs/PlantHealth

NATURAL RESOURCES PROGRAMS

Ray Jaindl
Director

The Natural Resources Programs address water quality and natural resource conservation on agricultural lands, the appropriate use of pesticides, labeling and sale of fertilizer, field burning in the Willamette Valley, and shellfish plat leasing. Through outreach efforts, compliance, monitoring, and coordination with other natural resource agencies, the programs help landowners meet society goals in a manner that makes economic and environmental sense. In addition, maintaining high quality agricultural land in production is an important long-term strategy for Oregon. The Land Use Program provides technical assistance to farmers as well as local, regional, and state governments on land use proposals.

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www.oregon.gov/ODA/programs/NaturalResources

www.oregon.gov/ODA/programs/Pesticides

PLANT PROTECTION AND CONSERVATION PROGRAMS

Helmuth Rogg
Director

The Plant Protection and Conservation Programs protect Oregon's agricultural industries and natural environment from harmful plant pests, diseases, and noxious weeds; enhance the value and marketability of exported nursery stock, Christmas trees, seeds and other agricultural products; and further the conservation of threatened and endangered plants. This is accomplished through four programs: Insect Pest Prevention & Management, Native Plant Conservation, Noxious Weed Control, and Nursery & Christmas Tree.

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www.oregon.gov/ODA/programs/IPPM

www.oregon.gov/ODA/programs/NurseryChristmasTree

www.oregon.gov/ODA/programs/PlantConservation

www.oregon.gov/ODA/programs/Weeds

ODA Directory

OREGON STATE BOARD OF AGRICULTURE

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Sharon Livingston

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Marty Myers

Tyson Raymond

Luisa Santamaria

Dan Arp, Ex-officio Member

Alexis Taylor, ODA Director

The State Board of Agriculture advises the Oregon Department of Agriculture regarding administration and enforcement of department programs, and its policies. The board holds quarterly meetings, solicits producer and public input, and represents a full spectrum of commodity production.

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State of Oregon Agriculture

Industry Report from the State Board of Agriculture

20 January 17

Published	January 2017
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Webpage	www.oregon.gov/ODA/AboutUs/Pages/BoardAgriculture.aspx

At a Glance

Oregon's agriculture and food industries are healthy and growing. Farms, ranches, and food businesses provide food, feed, fiber, scenery, jobs, income, and natural resource benefits across rural and urban Oregon. They contribute to Oregon's economy and the wellbeing of Oregonians in every region of the state.

Many opportunities exist to make Oregon agriculture even more successful. This report describes the Board of Agriculture's key priorities for investment, both at the state level and in Oregon's seven agricultural regions.

We thank Oregon's leaders for their attention to these opportunities and praise Oregon's farmers, ranchers, and food businesses for their contributions to our state.

ORS 561.378
State Board of Agriculture Report

The State Board of Agriculture shall report as provided in ORS 192.230 to 192.250 on a biennial basis to the Governor and the Legislative Assembly regarding the status of the agriculture industry in this state.

Photographs

Photographs used in this document were provided by employees of the Oregon Department of Agriculture, Oregon Food Bank, Oregon Metro, U.S. Bureau of Land Management, and Wikimedia Commons.

Table of Contents

Board members tour Threemile Canyon Farms in Boardman during the September 2015 board meeting.

Executive Summary

This report serves as an opportunity for the Oregon agricultural and food community, via the members of the State Board of Agriculture, to inform Oregon's legislative body about the state of Oregon agriculture.

In this report, the Board of Agriculture chose to focus on five key issues for agriculture:

- Food safety and the Food Safety Modernization Act
- Market Access and Certification Programs
- Co-existence
- Water quantity and quality
- The agricultural workforce

Cherry picker holds a bucket full of fresh dark sweet cherries.
• A tractor finishes work as the sun sets on another day.

Additional issues and stories about Oregon agriculture are woven throughout the regional geographic sections of the report. It is important to keep in mind that even though an issue might be highlighted in just one region, it is often important to agriculture in other parts of the state.

This report also includes recommendations for policy makers to consider during decision-making that will directly or indirectly affect the Oregon agricultural and food sector. A few of the key recommendations include:

- Recognize, support, and promote the diversity of Oregon's agricultural, food, and beverage industries.
- Support and maintain robust local, domestic and international market opportunities for Oregon's agricultural and food sector.
- Continue to invest in water quality and quantity projects to support agriculture in all parts of the state.
- Support capacity building for ODA's food safety program in order to ensure safe food for all Oregonians.
- Develop strong policies to maintain agriculture as a primary land use, especially in Exclusive Farm Use zones.
- Urge Congress to fully fund the Food Safety Modernization Act and advocate for comprehensive immigration reform.

While each member of the Board of Agriculture brings their own experiences and expertise to this document, much of the report is based on information and testimony provided by those directly connected to agriculture throughout the state. It is important for policy makers and others to listen to these voices and consider how the industry is impacted by the decisions that are made.

Board members tour the North Willamette Research and Extension Center in Aurora during the November 2016 board meeting.

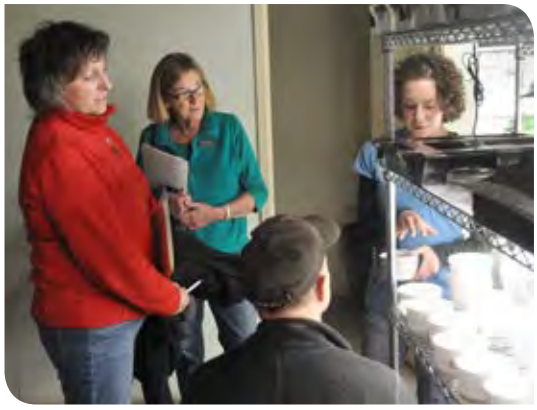
About the State Board of Agriculture

The State Board of Agriculture advises the Oregon Department of Agriculture (ODA) about programs, policies, and issues affecting Oregon agriculture. The board is comprised of 10 members, nine of which are appointed by the Governor. The tenth member is the chair of the Oregon Soil and Water Conservation Commission. Both the Director of ODA and the Dean of the College of Agriculture at Oregon State University serve as ex-officio members.

State law requires that seven of the appointed board members must be actively engaged in the production of agricultural commodities, and two are to be representative of consumer interests in the state. No two of the seven members actively engaged in the production of agricultural commodities shall have the same main commodity interest.

The term of each member is four years with the ability to be reappointed for a second four-year term.

The State Board of Agriculture meets quarterly across the state to discuss relevant issues. The State Board of Agriculture has also established four subcommittees. The subcommittees, and topics discussed in each subcommittee, are listed on the following pages.



Board members tour: Blueberry fields with farmer, and former Board of Agriculture member, Doug Krahmer. • A laboratory at the North Willamette Research and Extension Center where a biological control agent for the invasive brown marmorated stink bug is bred.

Oregon State Board of Agriculture

Barbara Boyer
McMinnville

Pete Brentano
St. Paul

Natural resources subcomittee
Barbara Boyer, chair

- Water, air, and soil quality
- Water quantity, availability, irrigation efficiency
- Long-term water strategy
- Invasive species
- Pesticides: crop and animal protectants
- Global Warming Commission

Stephanie Hallock
Lake Oswego

Bryan Harper
Junction City

Government relations subcomittee
Tracey Liskey, chair

- Biennial Report to the legislature
- Labor, immigration, and minimum wage
- Tax policies
- Farm bill program priorities
- Legislative contacts and federal issues
- Governor's office liaison
- Wildlife depredation
- Renewable energy issues
- Cannabis
- Co-existence

Tracey Liskey
Klamath Falls

Sharon Livingston
Long Creek

Land use subcomittee
Laura Masterson, chair

- Land use policy for agriculture
- Urban growth management policies
- Agri-tourism use of agricultural lands
- Utility siting and aggregate mining issues for agricultural lands
- Right to farm laws
- Agriculture in urban environments
- The use of conservation easements to protect working lands

Marketing & food safety subcomittee
Tyson Raymond, chair

- Agricultural product market development (local, regional, international)
- Transportation and infrastructure, freight movement strategy
- Food processing and agri-business development issues
- Farmers' markets, direct to consumer, and other local marketing ventures
- Farm-to-school program
- Phytosanitary issues and international trade barriers
- Food safety programs and federal and state food safety policy
- Small farm assistance
- Inspection and certification programs
- Animal health

Laura Masterson
Portland

Marty Myers
Boardman

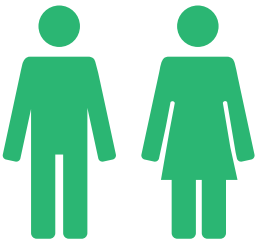
Tyson Raymond
Helix

Luisa Santamaria
Canby

Dan Arp
Ex-Officio member
OSU Dean of
Agricultural Sciences

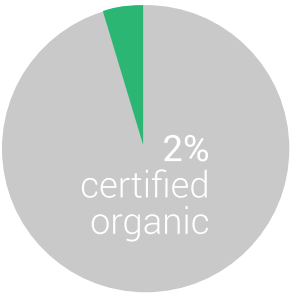
Alexis Taylor
Ex-Officio member
ODA Director

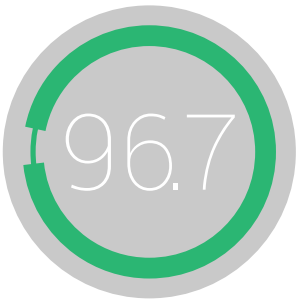
Oregon agriculture, food, and fiber



326,000
full & part-time jobs

35,439
Oregon farms & ranches[1]





percent of farms
are family-owned

of all Oregon exports

$192 million
organic ag

$16 billion
ag processing

$50 billion
in sales

Marion County
#1 ag production

Source: Sorte et al., 2015. [1]A farm is defined as any place from which $1,000 of agricultural products were produced and sold or normally would have been sold.

INTRODUCTION

A quote from the 2002 book, *Oregon Harvest*, summarizes the uniqueness of Oregon agriculture:

Diversity and quality—two words that describe one of Oregon's leading industries. Oregon would not be what it is today without agriculture. Some of the world's most productive agricultural land can be found within Oregon's borders. More that 225 commodities—a staggering array of crops—call Oregon home. Agriculture is not confined to just one area of the state, but is a prominent player in all four corners of Oregon. From that diversity comes the industry's strength. Chances are if it is a bad year for one commodity, it is a good year for another. Things seem to balance out each year (Pokarney, B., 2002).

Fast forward to 2016, and the words diversity and quality still hold true, as does agriculture's economic impact in the state; however, a third word could be added to define Oregon agriculture: resilient.

Oregon's farmers, ranchers, fishermen, and food processors have faced many challenges in recent years; familiar issues like adapting to changing commodity prices, securing a qualified workforce, and co-existing with rural and urban neighbors. But new challenges are on the horizon for the growing and processing community. Implementing the state's new sick leave law, adjusting business practices to meet the new state minimum wage, and coping with the disruption caused by significant domestic and international transportation issues are just a few. Despite challenges in the agricultural and food sector, Oregonians continue to have access to diverse, abundant, affordable, and safe Oregon grown and processed food and goods. This could not be done without the resiliency of Oregon's farmers, ranchers, and fishermen even when they are asked to do more with less and to rise to new challenges.

We hope that the information in this report will be used to inform and guide policy and regulatory discussions that allow the Oregon agricultural and food sector to thrive and continue a rich tradition of diversity, quality, and resiliency.

Photos: Produce at a farm stand table. • Oregon Brineworks showcases their fermented food products at FEAST Portland, 2016.

Food Safety

and the Food Safety Modernization Act

Overview by Tyson Raymond

Each time a food item is purchased, whether it is from a local source or a retail chain, the expectation of the customer is that the food they purchase is safe. Oregon's growers, processors and food manufacturing businesses rely on ODA to provide this food safety oversight.

There have been changes to food safety laws over the last few years. The state legislature has changed some of the state's food safety laws to reduce barriers for small-scale, low-risk food manufacturers, and the federal government passed the Food Safety Modernization Act (FSMA), which shifts how the Food and Drug Administration (FDA) addresses food safety by moving away from simply responding to a contaminated food emergency to a more proactive, preventative approach.

Regardless of state and federal regulations, Oregon's growers, processors, and food manufacturing businesses have to satisfy the desires of their customers and consumers in order to stay relevant. This could mean requirements over and above regulatory compliance to be competitive in crowded market space.

Photo: Apples are washed and dried in a state-of-the-art packing house.

Discussion

With almost 40 different food safety license types and just under 11,000 individual licensees across the state, the universe for ODA's Food Safety Program is vast and far-reaching. Oregon has seen steady growth in the food manufacturing industry. In fact, during the recent recession, food processing was a bright spot for the state's economy as Oregon's only manufacturing sector that did not lose jobs. (Mortenson, E., 2016).

Keeping up with a growing and trendy food and beverage industry requires constant and continued education for ODA's regulatory staff and its licensees. Regulations are only one element to ensuring food safety. Without an understanding of these regulations in conjunction with a strong knowledge of safe food manufacturing practices, a food safety risk will inevitably exist. The third-party regulatory oversight that ODA provides food producers and manufacturers is one way to facilitate this understanding of regulations and safe food manufacturing practices. And as Oregon's food manufacturing grows and changes, it is necessary for ODA's food safety staff to be able to adapt along with this industry.

The Food Safety Modernization Act (FSMA) is considered the largest overhaul to the country's food system in recent history. As a result, the world of regulated food producers is about to get bigger and, for Oregon, small and mid-sized fruit and vegetable growers and packing houses will likely see the greatest impact. According to the Census of Agriculture, Oregon has the eighth highest number of farms that will be affected by the produce safety rule, one of the seven FSMA rules, which impact approximately 4,000 fruit, nut and vegetable growers (USDA NASS, 2014). Roughly, 3,350 food businesses, including food processors, dairies, and bakeries, will be subject to at least one of the rules (ODA, 2014). Some businesses may be subjected to multiple FSMA rules.

Not all farms and food processors will have to comply with FSMA. FDA has created an exemption and modified requirements for eligible farms. However, the market place may dictate otherwise. Some retailers have stated that they will require all of their food suppliers and processors, whether or not they are exempt from FSMA, to meet these new federal guidelines. This could further increase the number of Oregon's farms, packing houses, and food businesses impacted by FSMA.

As the federal government moves forward in implementing this food safety mandate, it will be important for Congress to ensure that there are enough funds to support the state's role with this work. States should not be expected to absorb this cost. Growers, packers, and food businesses will be making investments in order to comply with FSMA. Capital investments, increased water monitoring, and additional employee training are just a few of the added costs. FDA estimates that the average cost of compliance for a produce farm will be $15,992 (FDA, 2015). Compliance cost estimates by farm size range from $5,872 for a very small farm to $38,741 for a large farm. For a processor of food consumed by humans, the estimated average cost of compliance will be $13,000 (FDA, 2013). Of course, this will vary depending on business size and which portions of the FSMA rules apply to each business. Incurring additional costs to support program implementation is something that the regulated community cannot afford. And work completed by ODA, on behalf of FSMA, should be funded by the federal government.

Successful implementation of any regulatory program requires effective education and outreach to the regulated community. ODA has received a federal grant to provide FSMA education and outreach. Unfortunately, this will most likely not be sufficient to meet the actual need. Partners like Oregon State University and industry trade groups will be helpful resources as

information about FSMA is disseminated. ODA will continue to seek federal funds to support education and outreach as it relates to FSMA. What role ODA will play for implementation remains to be seen. Oregon's future regulated community has not come to a consensus on this. In 2016, the State Board of Agriculture developed a resolution regarding the state's role for the implementation of FSMA. One of the elements of the resolution is for ODA to reconsider its inspection role after more information is learned.

Recommended actions and investments

- State policymakers should support capacity building for ODA's Food Safety Program to fulfill its mission of ensuring safe food for Oregonians.
- State policymakers should continue to urge Congress to fully fund the implementation of FSMA. The state should not absorb this expense.
- State policymakers should support ODA's role in compliance assistance and outreach to help Oregon's produce industry prepare for FSMA.

Photo: Oregon Department of Agriculture Food Safety Inspector reviews a blueberry wash in a processing facility.

Market Access & Certification Programs

Overview by Pete Brentano & Sharon Livingston

Agricultural markets are much like a three-legged stool. The three market types—local, domestic and international—all need to be strong and work together in order to support Oregon's agricultural and food processing sector. Since three-quarters of what Oregon's farmers, ranchers, and fishermen produce leaves the state for various market channels, the markets need each other to be successful.

To help with market efforts, several agricultural commodities have organized into commodity commissions. With oversight from ODA, these producer-funded, state created entities allow for producers to work together to market and promote a particular commodity. To date, there are 23 commodity commissions in the state.

There are always more needs than there are funds for marketing efforts. The state uses federal funds to leverage investment from local companies in order to promote Oregon agriculture in export markets. The state also relies heavily on federal funds for local and domestic marketing projects and studies that benefit the marketability aspects of the industry.

At the industry level, local farmers and ranchers work together to create branded products as a means to gain new market opportunities. Farmers, ranchers and fishermen, individually and collectively, have also developed strategies, like certification programs, to distinguish their product in an effort to open a new market or maintain existing market place.

Oregon's agricultural and food sector must be in tune with market needs in order to maintain and hopefully increase its presence in local, domestic, and international markets.

Discussion

Local marketing

There is no single definition for "local" agriculture, and, depending on where you are in the state, your definition of local might be different. If you live in the heart of the Willamette Valley where you are surrounded by diverse and numerous farms, local agriculture might mean purchasing carrots from the farmer down the street. But if you reside in a remote region of Lake County, those same Willamette Valley carrots might be considered local when defined as something produced in the state of Oregon.

Oregon has many opportunities to support the state's farmers, ranchers, and fisherman. On almost any given day of the week, you can find a farmers' market in Oregon. Today, there are 118 located across the state, a significant increase from the 12 farmers' markets that started almost 30 years ago (Oregon Farmers Market Association, 2016). Farm stands, Community Supported Agriculture (CSA), and U-pick are also viable markets for many in the agricultural sector. Food hubs are emerging as a way to connect commercial buyers with local farmers and ranchers, and retail chain stores

Photo: Gales Meadow Farm sells produce as part of the summer Crop-Up Dinner Series and Market Showcase in Portland, 2016.

are taking steps to stock shelves with Oregon products. Institutions, such as schools and hospitals, are also purchasing more Oregon goods.

These opportunities were not always available to Oregon's agricultural and food sector. Investments by public and private entities helped get some of these concepts off the ground. With the USDA National Agricultural Statistic Service's first-ever local foods survey to be completed in late 2016, new data on locally grown and sold foods will be available to guide strategic investment opportunities that continue to support Oregon agriculture locally.

Domestic marketing

Oregon commodities can be found in the US from coast to coast. About one-half of what leaves the state's borders remains in the country so domestic market opportunities play an important role for Oregon's farmers, ranchers, and fishermen.

Marketing domestically creates opportunities for producers who rely on local markets. However, anything that is produced in Oregon might also be produced elsewhere, so for Oregon to maintain a place in domestic markets, there must be a market or competitive advantage over out-of-state counterparts.

Certification and branding may help maintain some of this market advantage. Value-added processing can also assist. Although Oregon has relatively few national branded products, Oregon commodities provide prominent ingredients in processed food products, both domestically and internationally. The connection between agriculture and value-added food processing is very important to Oregon's agricultural resiliency. It is important for Oregon to retain a reputation for high-quality product.

Oregon's cost of production can also be a significant driver as to what makes it into the market place. The vast majority in production agriculture are "price takers" not "price makers"—the end product price is often set without consideration to the true cost of production. When the cost of business increases, Oregon farmers, ranchers, and fishermen must figure out how to adapt to this new expense, as their ability to pass it on to the next user is limited, or non-existent, in this competitive market space.

International marketing

Oregon agricultural goods can be found worldwide. From grass seed to hazelnuts, Oregon goods cover the globe. Oregon's exported commodities, food, and beverages contribute significantly to the state's economy.

International markets are an investment for Oregon's agricultural and food sector. Relationships with overseas buyers can take many years to develop. Once a relationship has been established and a commodity finds space in the international market place, it becomes easier for other Oregon commodities to access international markets because of Oregon's reputation for high quality products.

The international market also helps producers who sell products locally or domestically. In commodities such as hazelnuts, blueberries, and cherries, where international markets make up a significant portion of total sales, having international

Photo: A bartender in the PDX Taproom in Tokyo serves up cherry cider during Oregon Cider Week in Japan, 2016.

markets assists with keeping commodity prices higher for more growers.

When challenges arise that create a disruption in Oregon's ability to supply an overseas customer, relationships which took years to develop can be unraveled in a matter of months. This was the case for Oregon's agriculture and food sector in 2015 when there was a disruption in transportation. Perishable commodities rotted while waiting to be shipped, internationally-bound goods ended up in local or domestic markets, and in some cases when the commodity could be stored, sheds were filled to the brim as they waited for the next market opportunity. Lost opportunities for Oregon are gained opportunities for competitors.

Getting a product to an international marketplace may also require producers and processors to comply with standards that are different from Oregon's. Whether it is additional testing, or alternative packaging, not all of Oregon's agricultural and food businesses are able to, or capable of meeting these additional requirements.

Certification

In addition to ensuring a good reputation for Oregon agriculture, farmers, ranchers, fishermen, and food processors use third-party certification programs to meet market demands, to create new market opportunities, and to enhance consumer confidence. Compliance with third-party certification programs is above and beyond state and federal regulations that the agricultural and food sector must abide by.

There is no shortage of third party certification programs available to the agricultural community. Worldwide, there were 463 labels in 199 nations certifying that products, many relating to food, meet ecological standards (O'Connell, J., 2016). Certification programs can range from being "free-of" a specific ingredient to dictating a certain practice, to everything in between.

One of the best-known programs is organic certification. According to the Census of Agriculture, two percent of Oregon farms (about 525) are certified as organic (USDA NASS, 2016). Global Food Safety Initiative and Good Agricultural/Good Handling practices are certification programs commonly used by Oregon food producers and processors. These programs verify that fruits and vegetables are produced, packed, handled and stored as safely as possible to minimize the risk for microbial contamination. ODA provides these third party audits, as well as additional verification programs to private or market standards, to Oregon's agriculture and food producers.

Recommended actions and investments

- Provide opportunities that allow local communities to develop markets that support and invest in Oregon's agricultural and food sector.
- Continue to support and promote the diversity of Oregon's agriculture, food, and beverage industries.
- Continue to support ODA's ability to provide certification services to Oregon's producers, packing houses, and processors.

Photo: "Oregon Tastebud-Centric Extravaganza" banner by Travel Oregon showcases the diversity of Oregon agriculture at FEAST Portland, 2016.

Coexistence & Land Use

Overview by Laura Masterson & Marty Myers

It seems like the word of the decade for Oregon agriculture is "coexistence"—coexistence between non-agricultural and agricultural activities, and coexistence of different practices within Oregon's agricultural community. Coexistence is often a land use issue and land use planning is something that affects all of us in agriculture.

Land is the most critical asset for agricultural operators; however, the amount of land in agricultural production in Oregon is on the decline. According to the latest Census of Agriculture (2012), there are 16.3 million acres of land in agricultural production. This is down one million acres from a decade earlier (USDA NASS, 2014). The loss of agricultural land and the ability to farm can decrease the critical landmass necessary to support local infrastructure and businesses related to and required by agriculture.

Protecting Oregon agricultural land is also an investment in protecting the natural resources of the state. Well-managed working lands provide habitat for wildlife, fish, as well as other natural resource needs of Oregon.

Agriculture is an important economic contributor to the state's economy. The strength of the industry comes from its diversity and the availability of a consistent land and water base. Support of Oregon's agricultural diversity and recognition for agriculture in land use planning is necessary for a productive and viable Oregon agricultural and food sector.

Discussion

Coexistence within the agricultural community is not new. Farmers and ranchers have been doing it for years. However, it seems to be an issue that has been discussed more robustly and frequently over the last couple of years. Oregon produces more than 225 different agricultural commodities and the practices associated with production run the gamut from conventional to organic, intensive to extensive, and everything in between. Those behind the production system range from farmers and ranchers who are getting their start in agriculture, to those following in the footsteps of family members who worked the land and cared for animals before them. All of this diversity is important for Oregon's 35,000 farms and ranches in order to meet the demands of consumers and customers.

With the diversity of Oregon agricultural commodities and the variety of systems used to produce these goods, conflict is bound to arise from time to time. Farmers and ranchers have worked hard individually, and collectively, to create solutions that are achievable for the parties involved. But when farmer's practices create a risk or harm to other farmers' livelihoods, it can create real conflicts. For example, specialty seed growers have created a voluntary system to identify field locations that ensure quality seed production while not harming other growers. This system has worked well for years, but recently litigation has erupted over

Photo: Tyson Raymond (right) grows wheat in Umatilla County. Carlos Montalvo manages a vineyard next to the wheat field. The two talk about the timing of pesticide applications on the young wheat to protect the grapes.

the introduction of canola and genetically engineered seed crops. Wine grape growers and grass seed farmers have worked together to create a campaign that heightens the importance of prudent pesticide use. Still, cases of financial harm and crop damage from pesticide drift have also resulted in legal battles. While voluntary approaches to settle coexistence conflicts between farmers are preferable, additional tools may be needed in the future to manage challenging conflicts.

Conflict created at the intersection of urban and rural lands is another challenge for co-existence. Having a new housing development abut a farm field can create conflict between homeowners and farmers. Each use might be legal but at the edges where they connect, neighbors might not be accepting of the farming practices adjacent to their new home. Expansion of urban growth boundaries into agricultural land will increase this conflict.

Coexistence issues will continue to arise as non-farm uses are allowed within agricultural lands. Non-farm uses and associated land acquisitions such as those related to recreational development or energy infrastructure can impact the ability of remaining farms and ranches to operate efficiently and effectively. In addition to nuisance and trespass issues that may be dealt with under Oregon's right to farm laws, farmers and ranchers often must deal with actions related to non-farm development that impacts common farm practices.

Increasing concern about the broader cumulative impact of agricultural land conversion on agricultural infrastructure, including the agricultural service community, is also an important issue. The loss of agricultural land and the ability to farm can decrease the critical landmass necessary to support local infrastructure and businesses related to and required by agriculture.

When it comes to land use policies, stronger consideration for agriculture as a "working" land use is needed. When land use decisions that impact agricultural land are made, considerations for both direct loss of land and indirect loss due to the implications of surrounding non-farm development on adjacent farming operations, and cumulatively the loss of critical mass to minimize the erosion of local economy and infrastructure should be considered. Once land is removed from agricultural production, it is gone for good. Protection of this precious resource is an investment in the economy and the state's natural resources in general.

Recommended actions and investments

- State policymakers should recognize, support, and promote the diversity of Oregon's agriculture, food, and beverage industries.
- State policymakers should develop policies that have stronger protection for agriculture as a primary land use, especially in the Exclusive Farm Use zone.
- State policymakers should develop policies that provide stronger consideration of the impacts to agriculture before authorizing non-farm uses.

Photo: Urban growth boundary along Sunset Highway. (Courtesy of Metro)

Overview by Tracey Liskey & Barbara Boyer

For farmers and ranchers, water is the lifeblood of our existence. We live and work on the land we operate and understand the importance of protecting natural resources, like water. We have a stake in following rules, regulations, and best management practices to protect the health of our families, our crops, our livestock, and our environment.

With new rules and regulations being put on water resources yearly, our way of life becomes more complicated daily. The agricultural sector is looking for new, innovative ways to use less water and return it to the ground in a better form than we received it. Most all of the players in our industry want what is best for the environment, but what is good one year may not be good ten years down the road.

The cost of doing most of these projects is very expensive, and with most agricultural enterprises being land rich and money poor, this can cause problems. Government can help by making more grants and low interest loans available for projects to help keep our water supply and quality ample for all users.

Discussion

Water, both quantity and quality, is always a topic of concern for Oregon agriculture. Over 40 percent of Oregon's 35,439 farms rely on some level of irrigation (USDA NASS, 2014). Without safe, adequate supplies of water, Oregon's agricultural sector would look very different than it does today, both in terms of what can be produced in the state and as an economic contributor.

Farmers try to anticipate how much water will be available for the next growing season, but it is difficult to predict what nature will provide because reservoirs rely on winter rains and snow pack to recharge. When time to make planting decisions comes in the fall, it becomes an educated guess as to what to plant if there is no certainty on how much water will be available. Farmers may have enough water rights to supply a crop's need, but if reservoirs are not full there is no guarantee that those rights will be fully allotted when the growing season comes, leaving farmers with a gap in what is needed and what is available.

Farmers experienced extreme drought in 2015. Two-thirds of Oregon counties received drought declaration (Oregon Water Resources Department, 2015), with many of these counties having experienced drought conditions during prior years. Reservoirs were extremely low, causing irrigation to be curtailed early in the growing season, and normally productive acres were left fallow in an attempt to preserve water to get some crops to maturation. Fortunately, 2016 was a better water year for most, but farmers anxiously wait and see what water will be available for the next growing season.

For those that rely on water delivery via irrigation districts, the district operating and maintenance fee is still due and payable in full regardless of how much water is used or received. It is a challenge for a farmer to pay bills when water is not available to grow crops.

Photo: Pivot irrigation equipment rotates around a pivot and crops are watered with sprinklers.

Water: Quantity & Quality

Creating new water storage will benefit all Oregon water users, including agriculture. In 2013, the state made its first significant investment in water supply projects. Some of these funds have been used to renew agricultural water reservations in five basins —Grande Ronde, Hood, Malheur, Owyhee and Powder—that were set to expire in 2016 and 2020. Unappropriated water is reserved for multipurpose storage that can be used for future economic development. For agriculture, this means future irrigation opportunities.

Although state focus has been on developing water supplies, delivery of irrigation water is equally as important as storage. Without an efficient way to move water from the source to farmland, stored water is basically unavailable. Central and eastern parts of the state have developed irrigation infrastructure. Additional work needs to be done in the north central region and in many parts of the west side of the state.

Converting dry land acreage to irrigated agriculture can create more opportunities for Oregon agriculture and rural parts of the state. The Northeast Oregon Water Association studied this issue in 2014 and assessed how water access could influence cropping strategies. They calculated that in the north central part of the state, an acre of dry land wheat (40 bushel-fallow wheat) commonly produces $100 per acre. With one-acre foot of available water applied to the same ground, wheat yield would more than double (100 bushel wheat), with a potential income of $500 per acre. With two-acre feet of water, alternative crops such as hay, grass seed and some vegetables can be produced. With these crops, potential revenue per acre could be $1,500. With three-acre feet of water, high value root crops like carrots and potatoes can be grown as part of a rotation. With a cropping system like this, estimated revenue could be $5,000 or more per acre.

Quantity is only one part of the water equation for agriculture. Water quality is the second part. Because clean water is important for livestock and crops, agricultural operators from all corners of the state care about water quality, especially when quantities are scarce. With the Agricultural Water Quality Program, administered by the Oregon Department of Agriculture (ODA), and the Confined Animal Feeding Operation Program, jointly administered by ODA and the Oregon Department of Environmental Quality (DEQ), farmers and ranchers continue to invest in their operations in an effort to maintain water quality and meet state water quality goals.

With over 16 million acres in agricultural production and limited state resources, it has been difficult to document on-farm water quality investments and water quality changes. Working with a diverse group of stakeholders, ODA developed a Strategic Initiative to be used by the Agricultural Water Quality Program to document agriculture's efforts to achieve Oregon's water quality goals.

The Strategic Initiative is a two-pronged approach comprised of Strategic Implementation Areas (SIAs) and Focus Areas throughout the state. Together, these targeted strategies will help with data gathering efforts in addition to documenting accomplishments to achieve Oregon's water quality goals.

Photo: Lower Crooked River near Prineville.

SIAs are chosen by ODA after discussions with partners and a review of the local information and water quality data when available. SIAs receive outreach and education to address priority water quality concerns. Following an ODA-led Compliance Evaluation, ODA and its partners work with agricultural landowners to concentrate technical and financial help to change agricultural activities that may affect water quality. Following outreach and assistance, ODA may enforce regulations where problems persist.

With SIAs, ODA and its partners can provide a focused, systematic delivery of outreach and technical assistance and, when necessary, engage in compliance activities, to gain water quality improvements. Today, 15 SIAs have been identified across the state and more will be identified in the future.

In Focus Areas, local soil and water conservation districts (SWCDs) select an area within their watershed to offer voluntary assistance to agricultural landowners whose properties or activities may have impacts on water quality. This one-on-one outreach and focused assistance can be more effective in reaching landowners and achieving results in a short time frame. In most Focus Areas, SWCDs are working with landowners to improve streamside vegetation, which helps water quality by providing shade, stream bank stability, and filtration of potential pollutants. Several Focus Areas are working with landowners to address other concerns, including livestock management and sediment. This is work being done by SWCDs in 45 areas across the state.

SWCDs are important partners to ODA and the Strategic Initiative. However, not all SWCDs are the same. Access to technical expertise, resources, and overall capacity differ across the state. If SWCDs are to continue to play this important role, additional assistance will be needed in some areas.

Legacy issues are another important water quality problem that agriculture is dealing with. Development of infrastructure, like dikes and floodgates, and rerouting streams decades ago do not always help achieve the state's current water quality goals. These legacy issues can be found across the landscape. In order to effectively impact water quality change, legacy issues must be addressed. However, individual landowners cannot make these changes alone, as significant and costly changes to infrastructure may be needed. The state can help by developing and encouraging incentive-based programs to assist landowners in addressing legacy issues to help meet Oregon's water quality goals.

Recommended actions and investments

- Continue to move forward with programs that support planning, analysis, and implementation of further water storage and delivery projects.
- Support and maintain resources for in-stream water quality monitoring.
- Support SWCDs' role with the implementation of the Strategic Initiative by providing capacity building and resources.
- Develop and encourage incentive-based programs to assist landowners with addressing legacy issues in order to meet Oregon's water quality goals.

Photo: Ryan Beyer, ODA water quality compliance specialist, collects a water sample.

Agricultural Workforce

Overview by Stephanie Hallock & Pete Brentano

For decades, farmers and ranchers have relied on a reliable, qualified, and legal workforce to keep agriculture as a top economic driver for the state. Workers are needed to perform traditional jobs like pruning berry bushes, harvesting fruit and vegetables, and caring for nursery stock. Increasingly, many crop farmers need workers who are skilled in operating GPS-guided tractor steering systems, computers that monitor soil moisture, and pesticide application equipment.

Migrant workers provide the backbone of Oregon's agricultural workforce, and tighter immigration enforcement discourages some workers from coming to our region. There is not enough safe, sanitary, and supportive housing for the workforce needed, in part because of restrictive regulations, and in part because of the resources needed. In addition, as of July 1, 2016 agricultural employers must pay a minimum wage of $9.75 per hour (standard and Portland Metro counties) or $9.50 per hour (non-urban counties) to their employees. The minimum wage will increase to $10.25 (standard), $11.25 (Portland Metro), and $10.00 (non-urban counties) in July, 2017. This will make Oregon's minimum wage on average more than 40 percent higher than the federal minimum wage. Add the 11 federal laws regulating agricultural employment to Oregon's farm labor laws, and agricultural employers are increasingly hard-pressed to maintain a skilled, stable, and legal workforce.

Maintaining a skilled, qualified workforce is not only a challenge with on-farm and ranch jobs, but through all stages of agricultural production and processing. Industries that provide services to Oregon's farmers and ranchers are having difficulty finding skilled workers as well.

Our employees are our greatest asset, and without them, there will be no agricultural industry in Oregon. We must ensure that federal and state laws help, not hinder, our ability to bring new people into the workforce and keep the skilled, experienced ones we have.

Discussion

Finding skilled, qualified agricultural labor is a growing challenge for Oregon's farmers and ranchers, and nationwide. Today, foreign-born workers make up a significant portion of the domestic agricultural workforce. From 2008 to 2012, foreign-born workers made up 72.9 percent of field and crop laborers in the country as a whole (New American Economy, 2016), and a significant portion of these workers are not legally authorized to work in the United States. The exact number of undocumented workers is unknown. The USDA Economic Research Service reported that of the crop workers surveyed from 2007 through 2009, forty-eight percent of crop workers indicated that they were not legally authorized to work in the United States (USDA ERS, 2016). This leaves the nation's food supply relying on an unstable situation and a workforce that feels vulnerable and fearful of deportation.

When domestic workers are not available, some agriculturalists have used H-2A, a guest farmworker program, but this option does not come without challenges. The cost and complexity of paperwork

Photo: Workers pack apples in a state-of-the-art facility.

required to recruit foreign workers is overwhelming. H-2A is not a viable option for some sectors of agriculture like dairy farms who need willing, able, and qualified labor year round. Some farmers who use H-2A have also reported that guest workers do not arrive in a timely manner, delaying the time sensitive work that needs to be done. The path forward to create a stable, qualified workforce will require Congress to take action and address immigration reform holistically.

As it becomes more difficult for agricultural producers and processors to secure a skilled agricultural workforce, agricultural operations are turning towards mechanization. For example, a labor-intensive job, such as milking cows, can now be done with robotic milking units. But mechanization does have limitations. Often, mechanization requires a large financial investment that not every farmer or rancher can afford. Mechanization also leads to a change in business and management practices and the need for new skills. Berries that were once hand picked for the fresh market are now harvested by machine for a processed market. Finally, some crop characteristics make them not suitable for mechanization such as orchard crops like pears and apples.

Unfortunately, agriculture is not considered a place of first employment. A national survey conducted by ORC International reports that there is a lack of young people planning to work in the agricultural industry. Only three percent of college grads and nine percent of millennials surveyed have or would have considered an agricultural career. Healthcare and technology fields had the highest career interest of survey respondents. In 2015, the United States Department of Agriculture's National Institute of Food and Agriculture, together with Purdue University, completed an employment outlook report which reported that there are an average of 35,400 new US graduates with a bachelor's degree or higher in agriculture related fields; 22,500 short of the jobs available annually. Twenty-seven percent of these jobs are in the science, technology, engineering, and mathematics field (Goecker et al., 2016). As a subject, agriculture can easily meet science, technology, engineering, and math curriculum requirements. Offering agricultural education and vocational agricultural programs in the classroom may help students consider agriculture as a career.

Recruiting a qualified workforce is a challenge in itself. Affording this workforce is another challenge for agriculture. Oregon's farmers, ranchers, and processors are in competition with agricultural producers and processors across the country to sell their goods. States that have a lower minimum wage produce agricultural goods with a lower cost of labor than Oregon, reducing in-state and out-of-state market opportunities for Oregon businesses. As an industry that is predominately a 'price-taker' and not a 'price-setter', federal minimum wage parity would be one way to help Oregon agriculture be competitive with out-of-state counterparts. In 2015, The State Board of Agriculture passed a resolution regarding the importance of federal minimum wage parity.

Recommended actions and investments

- State policymakers should urge Congress for immigration reform.
- State policymakers should increase support of agricultural education and vocational agricultural programs in classrooms.
- Support federal minimum wage parity to enable Oregon's farmers, ranchers, and processors to be competitive with out-of-state counterparts in growing, processing, and harvesting agricultural goods for local, domestic, and international markets.

Photo: Agricultural worker picking sweet cherries.

Oregon's top 20 commodities

Based on data and estimates from National Agricultural Statistics Service, Oregon Department of Agriculture, Oregon State University, and the Oregon Department of Fish & Wildlife. See more stats online: bit.do/FactsFigures

The Coast

Introduction by Barbara Boyer

Oregon is famous for its coastline. Tourists from all over the world come to Oregon to see the Pacific Ocean, seaside cliffs, sandy beaches, and sand dunes. The products from this region are enjoyed not only locally, but admired for their superb quality across the globe.

When you think about the Oregon coast, you also think about Oregon's seafood industry. From Astoria to Brookings, this important industry spans the entire coastline. Pink shrimp, Dungeness crab, oysters, salmon, halibut, and much more are all harvested within Oregon's estuaries and off of Oregon's coastline for local, domestic, and international consumers and customers.

The coast is also home to a robust dairy industry. Dairy farmers are clustered in Tillamook, and Coos counties. These counties also offer processing opportunities to the state's fourth largest agricultural industry. Small niche processors and larger historic brands turn Oregon's quality milk into premium cheese craved across the world.

The Oregon coast is also synonymous with cranberries, the majority of which are grown in an area centering on Bandon. The climate in this region allows for a later cranberry harvest than growers' eastern counterparts, developing a darker, sweeter berry that consumers seek.

The mild coastal climate is conducive to lush green pastures for the region's grazing lambs and beef cattle for a vast majority of the year. The region is also home to several vegetable crops that are commercially grown for direct sales or local farmers markets.

Discussion

The working land easements, noxious weed management, and expansion of a cultivated shellfish industry are key to supporting Oregon's agricultural sector along the coast and can provide opportunities to assist agriculture throughout the state.

Although Oregon land use laws provide protection of farm and ranch land, sometimes these laws cannot go far enough.

Loss of farmland can involve conversion to nonfarm land uses that may be authorized by the state's exclusive farm use zone. Land succession issues many times also lead to such conversion.

Along the coast and throughout the state, working land easements can compliment Oregon's land use laws. Farmers and ranchers on the southern coast have employed and are considering the greater use of working lands easements as an option for keeping family farms viable. A working land easement is a voluntary contractual agreement between a farmer and another

Photos: Oregon has nearly 3,000 acres of cranberries, producing more than any other state on the west coast. • Tillamook County is home to the most number of dairy farms per county in Oregon.

party—such as a land trust or government entity—who purchases and permanently owns some of the rights to the farmland. This purchase can provide an infusion of capital to the farm and allow the farmer to continue to viably operate the farm. Since the land remains in production, taxes are still paid to the county, which is extremely important in rural parts of the state. A working land easement can protect the farm and help and make it viable for the next generation to operate. The ongoing work in the area of maintaining working lands through the use of easements on the southern coast may develop into an example for the rest of the state to emulate.

When thinking about water quantity and quality, the negative impacts that weeds can have is often overlooked. Riparian restoration efforts can be undone if landscapes are not actively managed for invasive noxious weeds. Noxious weeds are an issue across the state and on the coast. Scotch broom and Armenian blackberries, which are prolific on the coast, are two of the worst weeds. Unmanaged landscapes also allow noxious weed seeds to spread to neighboring properties, creating additional problems and expense for landowners. An investment in noxious weed control is an investment in the state. The top 25 of 128 state-listed noxious weeds have an estimated negative impact of $83.5 million to Oregon (The Research Group, LLC, 2014). This number more than doubles if these weeds are left unmanaged. Like invasive pests, early detection and rapid response is the best management strategy for invasive noxious weed control.

Cultivated shellfish operations can be found in several of Oregon's estuaries including Tillamook, Netarts, Yaquina, Umpqua, and Coos. There is great potential to expand this small but thriving industry, but many issues have limited its growth.

In 2015, recognizing the potential for growth, the Oregon Legislative Assembly passed House Bill 2209 which established state policy to enhance and expand cultivated shellfish production, conserve, protect and restore wild populations of native shellfish, and improve water quality and the health of aquatic and marine habitats. Subsequently, the Joint Interim Task Force on Oregon Shellfish was created to advance this policy by developing a framework and recommendations for an Oregon Shellfish Initiative. The Oregon Shellfish Task Force was composed of representative members with broad interests including shellfish, mariculture, commercial and sport harvests, seafood safety, tribal perspectives, resource conservation, and public education. Recommendations from the task force range from enhancing shellfish production to the restoration of native shellfish, and much in between. Many of the recommendations include actions that would have implications for the Oregon Department of Agriculture's Food Safety and Shellfish Leasing programs.

Photo: Armenian blackberry is the most widespread and economically disruptive of all the noxious weeds in western Oregon. It aggressively displaces native plant species, dominates most riparian habitats, and poses a significant economic impact on right-of-way maintenance, agriculture, park, and forest production. • ODA's land use specialist, Jim Johnson, visits an oyster bed on the Oregon coast.

Recommended actions and investments

Key recommendations for the coast, and the Oregon agricultural community, are:

- ODA should stay engaged in discussions about marine reserves and other activities that may impact Oregon's fishing industry, in order to ensure preservation of fishing grounds.
- State leaders should work with farmers and other stakeholders to protect working agricultural lands while identifying ways to restore habitats and achieve state water quality goals.
- ODA should continue to support development and expansion of an aquaculture industry in Oregon.

Key facts

» Total land area: 4.0 million acres
Source: Oregon Secretary of State, 2014

» Number of farms: 1,692

» Land in farms: 303,996 acres

» Irrigated land: 22,698 acres

» 2012 market value of agricultural products sold: $206 million
Source: USDA NASS, 2014

Photo: Fishing vessels in Astoria, Oregon.

Willamette Valley

Introduction by Pete Brentano & Laura Masterson

The most populated area of the state is also home to the most diversified and one of the most intensively farmed agricultural regions. This diversity cannot be replicated across the state. The volcanic soils, availability of water, and mild climate make it a unique and productive place for Oregon agriculture. It is easier to discuss what agricultural products are not produced in the Willamette Valley than what is grown and raised in this region. From arugula greens to zucchini and everything in between, you will most likely be able to find it grown in the Willamette Valley.

Because of the diversity of what is produced, no matter where you are, it is easy to find something that was produced in this region. From your own fridge to across the globe, farmers and ranchers in this region, and in Oregon, are recognized for not only what they produce, but also the quality of the product. Oregon is number one in the nation in production of hazelnuts, blackberries, black raspberries, boysenberries, several grass seed varieties, potted azaleas, sugar beet seed, peppermint, and Christmas trees, much of which is grown in this region. The Willamette Valley was also named "Wine Region of the Year" by Wine Enthusiasts magazine in 2016. Nursery products raised in the Willamette Valley decorate landscapes along the US eastern seaboard. Grass seed, grown in the heart of the Willamette Valley, is featured on some of the world's most prominent golf courses as well as in Tiananmen Square in China. Willamette Valley strawberries are the specified ingredient for many domestic and international ice cream makers. Clearly, the Willamette Valley is a picture of diversity.

Discussion

Invasive species, the siting of energy generation and transmission facilities, and the development of trails through agricultural lands not only touch this region, but the entire Oregon agricultural community.

Oregon's agricultural and natural resource community just completed the second largest eradication effort in the state's history for the Asian gypsy moth. Allowing this invasive species to become established could have destroyed Oregon's forests, impacted homeowners' landscapes, and limited the ability for Oregon's nursery industry to transport plants, shrubs, and trees out of state. Trapping and surveying conducted by the Oregon Department of Agriculture allow for the early detection of invasive species. In 2016, traps have informed agriculturalists and the natural

Photos: Oregon ranks #1 in the production of Christmas trees in the U.S. and in terms of commodity value for the state, Christmas trees are ranked #11. • Japanese beetle adults can cause serious damage, typically skeletonizing leaves, consuming flowers, and devouring fruits.

resource community of the presence of Japanese beetles, detected in northwest Portland, and the light brown apple moth, detected in Polk County. Early detection is only one part of the equation in eradicating invasive species. Rapid response is equally critical to ensure that these populations do not become established.

Siting of energy facilities, and associated transmission lines, is something the agricultural community has been cautious about. Some farmers have added energy facilities as a way to diversify and provide additional revenue to the operation's bottom line, but other farmers are worried about the loss of agricultural land and potential conflicts these facilities have on their existing and future agricultural operations. Currently, there is a lot of conversation about the siting of solar facilities on high-value farmland in the Willamette Valley. Unlike agriculture, energy facilities are land dependent, not soil dependent, meaning these facilities can be sited anywhere regardless of soil quality. However, commercial solar facilities are being sited on high-value farmland without adequate consideration of the individual and cumulative impacts to agriculture. Alternative locations for solar facilities that do not involve high-value farmland need more consideration. In 2016, the State Board of Agriculture alerted the Department of Land Conservation and Development of their concern about this issue. As energy facilities and transmission lines are sited, it is important to consider the impacts on the agricultural land base and the ability for agriculture to operate.

It is not unusual for railroads to traverse rural lands, including working agricultural lands. Historically, railroad placement has allowed farmers to transfer goods to market or deliver farm inputs. As the historic use and needs of railroads have changed, some established routes have been discontinued and even abandoned. Some see these abandoned railroad tracts as an opportunity to create a trail for recreationalists to explore Oregon's rural landscape. Some also see it as a potential revenue opportunity for the local community, as trail users may grab lunch after their hike or a cup of coffee for the road. However, the "rails to trails" concept also brings concern to the farmer that operates land adjacent to this new trail. This concept is popping up in the Willamette Valley and in other parts of the state, raising concerns about trespassing, vandalism, and conflicts with generally accepted farming practices. For example, plowing a field to prepare it for planting can create dust, which may not be appreciated by a trail user. Not all abandoned railroad tracks are candidates for public trails. When proposed to be located in Exclusive Farm Use zoned areas, the conditional use permit process helps a local community determine if the recreational use is appropriate in an area dominated by and planned for farm use.

Photos: Solar panels next to a vineyard in the Willamette Valley. • A trail runs parallel to a field. Some farmers are concerned about the reaction that urban trail users will have upon encountering common farming practices.

Willamette Valley

Recommended actions and investments

Key recommendations for the Willamette Valley, and the Oregon agricultural community, are:

- Protect the state from invasive species and support early detection and rapid response.
- Consider the individual and cumulative impacts to the loss of agricultural lands and to associated farm and ranch operations for proposed siting of energy facilities.
- Consider the implications to area agricultural operations through the conditional use permit process for non-farm uses in areas zoned as Exclusive Farm Use.

Key facts

» Total land area: 9.0 million acres
Source: Oregon Secretary of State, 2014

» Number of farms: 18,114

» Land in farms: 1.7 million acres

» Irrigated land: 235,676 acres

» 2012 market value of agricultural products sold: $2.2 billion
Source: USDA NASS, 2014

Photo: Wine grapes growing in a Willamette Valley vineyard.

Columbia Gorge/Plateau

Introduction by Marty Myers & Tyson Raymond

Hood River County is famous for Mt. Hood, but for us agriculturalists, Hood River is synonymous with the state fruit, the pear. The Columbia River Gorge, as a whole, is the nation's largest pear-growing region. This region also produces some of the world's most prized fresh cherries that find their way to premier Asian markets such as Hong Kong and Tokyo. The community embraces and celebrates its fruit growers so much that Hood River County created the Fruit Loop, a 35-mile self-guided tour that leads fruit enthusiasts to several of the county's orchards, farm stands, and vineyards.

As you head east and the landscape levels out, the sight of fruit trees is replaced by fields as far as the eye can see. Cereal grains, predominately wheat, dominate the dryland farming landscape, but peas and beans are also grown as part of crop rotation. Irrigated agriculture in this area includes alfalfa, several vegetable crops, such as carrots, onions and potatoes, and of course, world famous Hermiston watermelons. A significant amount of milk is also produced in this area.

In rural Oregon, agriculture accounts for many jobs and economic activity; not only what happens on the farm but the related businesses and services that support agriculture such as feed and fertilizer companies, farm implements, food processing equipment manufacturers, and processors. Morrow County had the fourth highest average weekly wage in the state in the fourth quarter of 2015 (US Department of Labor, 2016) and the agricultural community was a major contributor to the ranking. Starting with pears and ending with potatoes, the Columbia Gorge/Plateau offers a lot to the local communities and Oregonians passing through.

Discussion

Digital agriculture, short-term rental property, and community support are subjects important to this region and the rest of the Oregon agricultural community.

Digital agriculture, although maybe a new term to agriculture, is not a new concept. Oregon's farmers and ranchers have always utilized technology in their operations. For example, not many farms still use horse drawn plows—today most horsepower is provided by tractors. However, in the last decade or so, agricultural technology has become more sophisticated, using GPS guided tractors, smart phone apps, and now unmanned aerial systems (UAS) to scout crops for pest damage or stress conditions. Pendleton is home to one of Oregon's three UAS test ranges. Nationally, it is the most agriculturally diverse test range as it encompasses 14,000 acres dominated by wheat, irrigated pivots, tree fruit, and viticulture. As applications for UAS in agriculture are studied, it will create an advantage for Oregon agriculture, as the testing will take place here. and can lead to future business opportunities for the state.

Photo: GPS tracking and digital technology in the cab of a tractor.

Columbia Gorge/Plateau

Short-term rentals are not just having an impact in urban areas, but have also become a very real issue in many agricultural areas around the state, especially in Hood River County. There is increased economic appeal to offering lodging/farm stays to visitors in areas zoned for Exclusive Farm Use. Expansion of such use is of concern, especially in areas characterized by intensive farming operations and in areas with high-value farmland soils as they relate to compatibility with common and accepted practices associated with farming and ranching operations. Although the visitors seek to enjoy the beauty of the agricultural setting, they are not always tolerant of noises, dust, pesticide use, and issues related to hours of operation, cultivation, and harvest.

Eastern Oregon agriculture is also ground zero for Farmers Ending Hunger, an important program to end hunger in the state. Established in 2004, the program's mission is to eliminate hunger in Oregon by increasing the amount of high quality food available to hungry local communities through a partnership of farmers, food processors, Oregon Food Bank, and the public. Today, farmers and processors from around the state have joined this effort. From shelf stable items like pancake mix, to fresh fruits and vegetables, Oregon's farmers, ranchers, and processors donated 4.2 million pounds of food in 2015 through the program. This does not include individual farmer, rancher, and processor contributions made in private to local hunger relief efforts.

Recommended actions and investments

Recommendations for Columbia Gorge/Plateau, and the Oregon agricultural community are:

- Support UAS Legislative Work Group recommendations.
- Consider cumulative impact of land use decisions involving non-farm land uses on land zoned for exclusive farm use.
- Continue support for tools like the Crop Donation Credit that help offset harvest and transportation costs of charitable donations.

Key facts

» Total land area: 6.6 million acres
Source: Oregon Secretary of State, 2014

» Number of farms: 3,584

» Land in farms: 5.2 million acres

» Irrigated land: 287,000 acres

» 2012 market value of agricultural products sold: $1.3 billion
Source: USDA NASS, 2014

Photos: Barn with social gathering space at an orchard in Hood River, Oregon. • Board of Ag members pack onions at the Oregon Food Bank. (Courtesy of Oregon Food Bank)

Northeast Oregon

Introduction by Sharon Livingston

Northeast Oregon is home to cattle that graze the vast private and public landscape. Hay, barley, and wheat are also grown here. Farmers have searched for alternative crops for this area but the climate, frequent cold snaps, and inconsistent yields make it difficult to diversify. The region is also very dependent on rainfall and mountain snow pack to meet irrigation needs. Water is the lifeblood for agriculture.

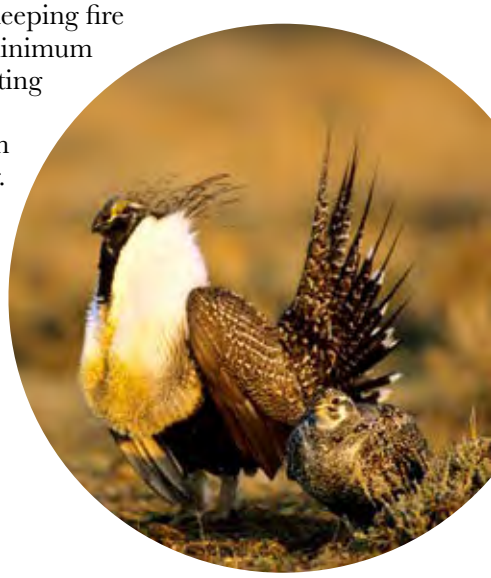
This region recently experienced one of the most destructive wildfires in the state's history. The Canyon Creek Complex fire near John Day in 2015 burned over 110,000 acres of public and private land. Several residents lost their homes, and cattle and wildlife perished in the flames. It will take several years for this land to recover from the fire, so the ranching community has lost this valuable grazing resource. Unfortunately, alternatives for ranchers that use this land are limited. Ranchers will be forced to move cattle further from home to find grazing land, purchase more feed, reduce the herd, or a combination of the three.

Agriculture is changing in the region. The average age of farmers and ranchers is climbing and the next generation is not coming back to the farm. It is hard to get young people into agriculture, as it is not something that you do eight hours a day, five days a week. Small farms and ranches are taking on debt to grow in order to stay in business. But one thing that has not changed is the culture of farmers and ranchers—neighbors helping neighbors, working together as a community to support the farming and ranching industry, and the community as a whole. Work never stops on the farm, but our farmers and ranchers make time to be involved in school boards, civic organizations, and community groups that make a difference to the place we are proud to call home.

Discussion

Interactions with wildlife and outside investments not only touch Northeast Oregon, but the entire Oregon agricultural community.

Oregon farmers and ranchers have played an important role in recovery efforts of the greater sage grouse. Wildfire, invasive weeds, and the spread of juniper are principal threats to sage grouse habitat. This makes properly managed grazing crucial by keeping fire fuels to a minimum and preventing invasive species from establishing. In nine counties, Oregon farmers and ranchers have joined with traditional and non-traditional partners to implement conservation practices that support sage grouse habitat. In the fall of 2016, researchers estimated a 14 percent increase of sage grouse population across critical habitat in all nine counties with only one location, the Baker City unit, having a small decline (ODFW, 2016). Such results have kept the greater sage grouse from being listed as an endangered species.



Wolves are found in several parts of the state, including northeast Oregon, and their presence will always lead to conflict with livestock. Livestock owners have been trying to work within the Oregon Wolf

Photo: Sagebrush meadows in eastern Oregon provide the sage grouse with its year-round home and food source.

Northeast Oregon

Conservation and Management Plan for the last several years to help the state meet its goals on this issue. Livestock owners have also accessed the Wolf Depredation Compensation and Financial Assistance Grant Program to obtain compensation for injured or dead livestock and working dogs, or financial assistance to implement strategies designed to discourage wolves. Almost half of Oregon's counties (15) have established a wolf depredation compensation program in order to help their community's livestock operators on this issue. As the state moves forward, it is important to maintain adequate tools to remove problem animals/packs when necessary to stop chronic losses, build livestock producer's confidence that problem animals will be dealt with, and maintain efforts to discourage wolf depredation while compensating operators for livestock loss or injury.

As people discover the beauty of this part of the state, individuals outside of the area are purchasing farms and ranches to be a second or vacation home. Since farming and ranching is not the main reason for acquiring the property, the land is farmed less intensely or taken out of production entirely, both of which increase the value of the surrounding farmland. These new neighbors are also taking advantage of the ability to establish non-farm dwellings on their property and, as a result, change the entire agricultural landscape with construction of recreational homes in the middle of a historically rural agricultural setting.

Recommended actions and investments

Recommendations for Northeast Oregon, and the Oregon agricultural community, are:

- Encourage congressional delegation to maintain support of funding for sage grouse recovery.
- Continue support for the Wolf Depredation Compensation and Financial Assistance Grant Program.
- Better analysis and consideration of cumulative impact of nonfarm residential development on agricultural operations.

Key facts

» Total land area: 9.4 million acres
Source: Oregon Secretary of State, 2014

» Number of farms: 2,547

» Land in farms: 2.9 million acres

» Irrigated land: 230,000 acres

» 2012 market value of agricultural products sold: $248 million
Source: USDA NASS, 2014

Photos: Wolves can injure and kill livestock and working dogs. • Scenic views in Wallowa County, Oregon.

Southern Oregon

Introduction by Barbara Boyer

This region has a rich agricultural heritage known for livestock grazing, orchard fruits, and wine grapes. This heritage is enhanced by a growing demand for newer crops in the region such as cut flowers, herbs, small grains, cannabis, and organic fruits and vegetables.

Southern Oregon was named a "Top 10 Global Wine Destination" by Wine Enthusiast magazine in 2016. The region produces wines of superb quality that are enjoyed by locals, tourists, and across the country. This triple pronged approach to marketing is true for much of what is produced in the region. Locally grown products and nationally known specialty foods can be found in farmers' markets and food hubs. Fruits of all kinds and other processed food products are also produced in the region and sold both at home and abroad. Tourists flock to the region to enjoy all of it while taking in southern Oregon's cultural and culinary experiences.

Photo: Nonpsychoactive, industrial hemp grown outdoors.

Recently, Oregon voters legalized marijuana and the legislature recognizes it as an agricultural crop. Growing marijuana in Oregon is not new. Oregon's Medical Marijuana Program began in the late 1990s, but it was not until recently that this plant received recognition as a farm crop. Marijuana can be cultivated in most parts of the state, but southern Oregon has received a reputation for cultivation of sun-grown cannabis. Marijuana's cannabis cousin, industrial hemp, was also legalized for production, with Oregon's first industry hemp license being issued to a southern Oregon grower.

Discussion

Meat processing, Oregon State University, and pollinators are just a few of the important issues for this region, and the entire Oregon agricultural community.

Many of the small, diverse farm operations in Southern Oregon include livestock. However, options to process livestock that can enter commercial distribution are limited. In order for beef, lamb, pork, or goat meat to be sold commercially, it must be processed at a USDA inspected facility. Existing meat processing facilities have worked with local producers to meet processing needs but existing regional options can be hundreds of miles of way. In this region, the closest option is Roseburg. Becoming a USDA inspected slaughterhouse is expensive. Part of the expense is that a USDA veterinarian must be on-site during operation. If the facility is not located in a livestock dense region, it is costly to process the animals. This is not a new issue nor is it confined to this region, but there is interest, especially from the smaller farms and ranches, to creating a viable solution that leads to affordable small-scale meat processing

Oregon's land grant university, Oregon State University (OSU), and OSU's statewide public service programs, Oregon Agricultural Experiment Stations, Extension Service, and Oregon Forest Research Laboratory, are important partners to Oregon's farming, ranching, and fishing communities. The Southern Oregon Research and Extension Center in Central Point, like the rest of OSU's statewide programs, provides important research and technical assistance to the region's agricultural sectors. From small

farm assistance provided by the robust Small Farms Program to commodity specific research, OSU faculty and staff inform farming, ranching, and fishing decisions. OSU also houses the Oregon 4-H Youth Development Program, a program which provides life skills to young people through hands-on experiences. Having extension and research centers located across the state also makes agricultural information readily available to the local community.

Pollinators are an important part of the food security equation. Bees are responsible for pollinating the crops that provide people with an abundance and diversity of food crops. In an area like southern Oregon, with its vast fruit production, pollinators are necessary agricultural partners.

Unfortunately, pollinators have been declining at an alarming rate. There is no single factor responsible for the decline of pollinators world-wide; rather, a combination of several contributing factors act both independently and synergistically to negatively impact populations. The US Environmental Protection Agency has asked states to develop Pollinator Protection Plans. OSU extension and ODA will be engaging stakeholders to create a path forward to develop strategies to protect pollinators. Education and outreach will play a prominent role in pollinator protection.

Recommended actions and investments

Recommendations for southern Oregon, and the Oregon agricultural community:

- Support efforts that provide affordable livestock processing options.
- Continue to support OSU statewide public service programs.
- Engage in discussions regarding the state's pollinator protection plan.

Key facts

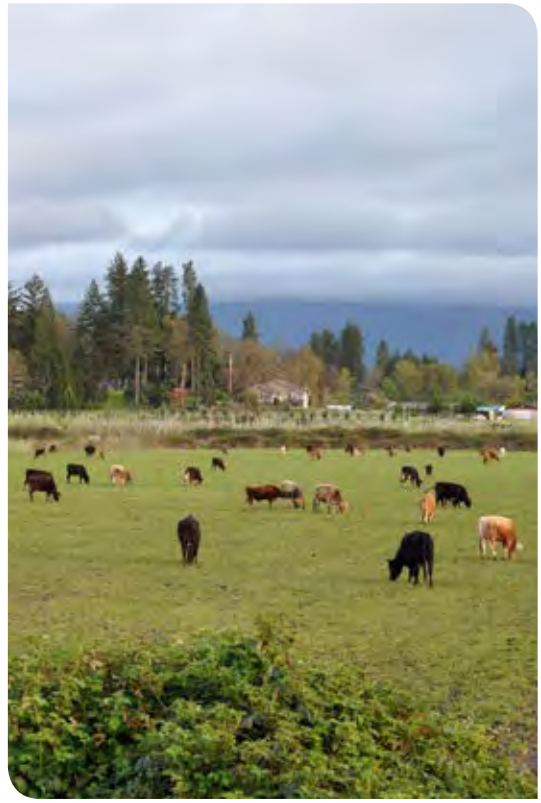
» Total land area: 6.1 million acres
Source: Oregon Secretary of State, 2014

» Number of farms: 4,266

» Land in farms: 624,721 acres

» Irrigated land: 60,132 acres

» 2012 market value of agricultural products sold: $148 million
Source: USDA NASS, 2014



Photos: Kids from a 4-H Youth Program show off their biosecurity educational materials. • A pollinator visits a flower on a fruit tree. • Cattle graze in a field near Grants Pass. (Courtesy of Finetooth via Wikimedia Commons)

Southeast Oregon

Introduction by Tracey Liskey

This part of the state is home to several of Oregon's top producing agricultural commodities. Cattle, hay, dairy cows, potatoes, and onions—five out of the top 10 Oregon agricultural commodities—are prominent in this region. Malheur County is ranked eighth in the country for number of beef cattle (USDA NASS, 2015). Sugar beets, strawberry plants, and garlic are also grown here. Success for the agricultural community, and the community as a whole, is hinged on the success of the industries that support farming and ranching. Onion and potato packing sheds, implement companies, and inspection and certification services, to name a few, are critical components to the region's health and economy. For southeast Oregon agriculture is not just an industry, it is a lifestyle.

Not only is the southeastern part of Oregon a beautiful place to live; it is a beautiful place to visit. The area is mainly high desert with little annual rainfall, making the scenery more sagebrush and bare mountains than trees. The climate can make it a challenging place to earn a living, even with a lot of land. However, farmers and ranchers are finding themselves in competition for this invaluable resource as more and more of the ground becomes owned by the government.

As people learn of the beauty of this area, conflicts have also increased. Farmers and ranchers rely on this land to make a living for their families, their employees and the businesses that support them. But the public wants the land to vacation, hunt and play. As our agricultural community continues to be pressured with the ever-growing changing atmosphere of the public opinion, the western way of life in southeastern Oregon is threatened.

Discussion

Working partnerships, water predictability, and transportation not only touch Southeast Oregon but the entire Oregon agricultural community.

For an agricultural region that has more livestock than people, it has been the focus of some significant issues. Ranging from negotiations of the Klamath water agreement, to the Malheur National Wildlife Refuge occupation near Burns, to discussions of a national monument in the Owyhee and Siskiyou areas, this natural resource community has had, and continues to have, difficult conversations. As the world watches, farmers and ranchers in this rural part of the state must navigate traditional agricultural challenges under unique circumstances.

Farmers and ranchers are used to dealing with water issues in "the dry part of the state." However, as drought conditions continue to linger for years instead of months, farmers and ranchers are increasingly anxious to find long-term solutions and stability. Uncertainty about water availability creates unpredictability for farmers. Crop rotation—a common

Photo: Steens Mountain in southeast Oregon's high desert. (Courtesy of U.S. Bureau of Land Management)

management practice used to ensure soil fertility, control pest pressures, and boost crop productivity—becomes a new challenge to deal with. Not knowing if, or what, water will be available limits a farmer's choices as to what can be grown on the landscape. Some farmers are foregoing crop rotation altogether, hoping the perennial crop will have a productive yield one last time, or they are substituting other costly management practices that may not yield the same benefits as crop rotation.

Even regions farthest away from Portland have felt the impact of shipping issues experienced by the Port of Portland in recent years. As perishable commodities rotted in containers at the port, agricultural goods that have a longer shelf-life destined for an export market were displaced into the domestic and local markets, disrupting the supply chain. Affordable options for reliable domestic transportation are also needed. Nyssa onion growers have determined that is it cheaper for a New York buyer to ship onions from Peru than it is to purchase onions grown on the other side of the US. Agriculture is a high-value, low margin commodity. Affordable domestic and international transportation solutions are needed to keep Oregon agriculture competitive. There is not a single product that Oregon agriculture produces that cannot be produced elsewhere, so it is important that transportation remains competitive for Oregon agriculture to remain viable.

Recommended actions and investments

Key recommendations for southeast Oregon, and the Oregon agricultural community, are:

- The local agricultural community must be consulted and needs to be considered as decisions made by outside interests impact the farming and ranching community.
- State lawmakers should support plans that provide long-terms solutions for water availability to provide stability to the agricultural community.
- State lawmakers should support solutions that address domestic and international transportation needs for Oregon agricultural goods.

Key facts

» Total land area: 22.2 million acres
Source: Oregon Secretary of State, 2014

» Number of farms: 2,938

» Land in farms: 3.9 million acres

» Irrigated land: 657,400 acres

» 2012 market value of agricultural products sold: $715 million
Source: USDA NASS, 2014

Photos: The southeast corner of Oregon has been hit the hardest with a multi-year drought. • Governor Kate Brown cuts the ribbon to commemorate the Cathay Pacific Airways expansion of its freighter services to add a twice-weekly scheduled service to Portland.

Central Oregon

Introduction by Stephanie Hallock

Most people who come to Central Oregon to enjoy year round outdoor recreation, a festival almost every summer weekend, or a stay at a luxurious golfing resort probably don't think much about the agricultural history of the region. How many people know that before timber mills built the economy of now trendy Bend, sheep, cattle, wheat and potato farmers settled the area, or that the Deschutes County Fair was first known as the Annual Potato Show? I didn't until I visited the website for the Oregon Agricultural Research Center, located in Madras.

Even though I am a native Oregonian, have lived in Central Oregon, and still have family there, I, like many who live on the west side of the Cascades, paid little attention to the acres devoted to agriculture until I became a member of the state's Board of Agriculture. Now I am acutely aware of how irrigation has allowed this historically volcanic region to produce 60,000 acres of vegetable seed crops, wheat, garlic, mint and potatoes in Jefferson County. Cattle roam across public and private land throughout the region, with Crook County still a major beef producer, although huge server "farms" in the technology industry are changing the face of the landscape.

Hay is grown throughout the region and even in Deschutes County, where tourism now drives the economy, there are many small-acre horse and hay farms, several community supported agricultural farms, and thriving farmers markets. Next time you drive from Portland across Mt. Hood headed to the Bend Brewfest or Pole-Pedal-Paddle, pay attention to the acres of irrigated crops you are passing and take a look at the livestock auction yard in Madras. Or when you go to the Sisters Rodeo, think about the bull riders and the bronc riders and the barrel racers and their heritage. It is not just a show for us city folk, the rodeo is a reminder of the farmers and ranchers who are still a vital part of Central Oregon.

Overview

Beginning farmers and ranchers (BFR), pesticide use, and climate change are important influences on the future of agriculture in Central Oregon, and the Oregon agricultural community as a whole.

Whether you are the next one in line to take over the farm, stepped away from a corporate career to spend time in the field, or got the farming bug after an internship, there is no age limit for a BFR. People from all walks of life are forming the next generation of Oregon farmers and ranchers. However, owning and/or operating a farm is a significant investment and that in itself is a huge barrier for BFRs. Access to affordable, productive land is one of the primary barriers to entry to farming and ranching. Increasing land values and rental rates make it difficult for a BRF to obtain a piece of property. For all intents and purposes, if land is not affordable, it is not available. An area like Central Oregon, where land is in demand for non-farming activities, is especially

Photo: A beginning farmer working the ground in a farmer training program. (Courtesy of Rogue Farm Corps)

challenging for BFRs. Access to financing is another challenge. Lending institutions may not see BFRs as credit worthy, or funding to help cover gaps in operational costs may be hard to come by. Both the state and the federal government have made efforts to create new financing sources or tweak existing programs for the benefit of BFRs, but the usability of the programs could be improved.

No matter your production system, every farmer and rancher will be faced with at least one pest in his or her career. Pesticides are one tool, and sometimes the only tool, farmers can rely on to protect their crops. In an area increasingly dependent on tourism and resort life like Central Oregon, pesticide use and impacts on water quality are of concern to some. Rafters and fishermen expect clean and pristine rivers, and families boating and swimming on Lake Billy Chinook do not want to worry about pesticides. Golfers may not think about the chemicals needed to provide the region's many lush courses, but those chemicals are essential. The Pesticide Stewardship Program (PSP), a program jointly administered by ODA and DEQ, engages local pesticide users like farmers, ranchers, and other stakeholders throughout the state. The Partnership explores innovative pesticide management strategies to find ways to reduce pesticide levels while measuring improvements in water quality and crop management. One such partnership was recently formed for the Middle Deschutes.

Farmers are also concerned that climatic conditions for crops are changing. As farmers see changes in weather patterns, traditional crops become stressed and subsequently more susceptible to pests. Changes in climate could also impact rainfall patterns, which would influence what can be grown in the region. In Central Oregon, water availability in terms of amount and timing influences what can and cannot be grown in this region. Without water, arid Central Oregon agriculture would be limited to dry land farming and cattle. New production practices or modifications in cropping systems may be required to adapt to changing climate patterns. While much remains unknown about the impacts of climate change, there is no doubt that the issue is incredibly important to agriculture, especially in the already arid parts of the state.

Photo: Carrot seed field with Mt. Jefferson in the background. • Hay bales in a field near Paulina, Oregon.

Recommended actions and investments

Recommendations for central Oregon, and the Oregon agricultural community:

- Evaluate and retool beginning farmer and rancher programs to increase effectiveness.
- Continued support of the Pesticide Stewardship Partnership Program.
- Support research efforts that will help the Oregon agricultural community respond to climate change.

Key facts

» Total land area: 5 million acres
Source: Oregon Secretary of State, 2014

» Number of farms: 2,308

» Land in farms: 1.8 million acres

» Irrigated land: 137,000 acres

» 2012 market value of agricultural products sold: $128 million
Source: USDA NASS, 2014

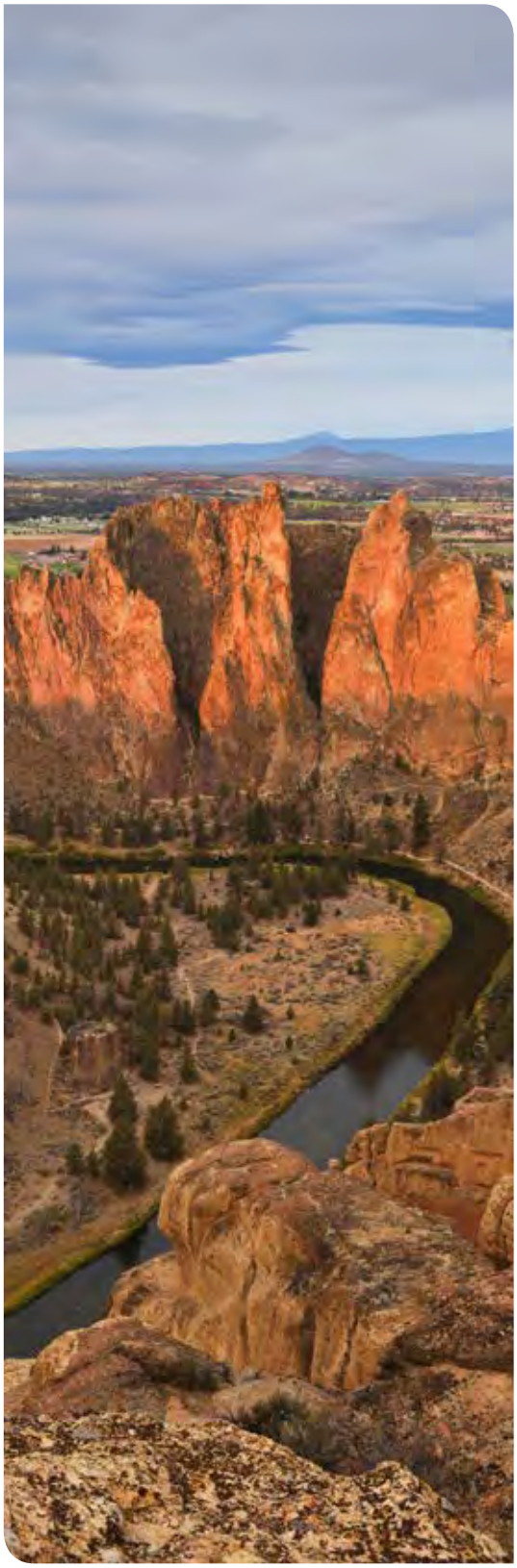


Photo: Smith Rock State Park in Terrebonne, Oregon.

The State Board of Agriculture prepared a report to the Legislative Assembly in 2015. Agricultural issues reported on included: market access, transportation, entry into agriculture/farming, labor, Food Safety Modernization Act, and water. These issues continue to appear in this report, as they remain important topics to the agricultural and food sector.

Looking back to the 2015 Board Report and its recommendations, the Governor launched the Trade and Logistics Initiative, access to Oregon's beginning and expanding farmer loan program was improved, and ODA received the opportunity to pursue federal funding to support education and outreach efforts for the Food Safety Modernization Act. New investments were made in agricultural water quality, water infrastructure, and Oregon's Farm to School Program. Each of these actions related to recommendations in the 2015 Board Report.

Issues regarding agricultural labor remain, and investments in value-added opportunities for Oregon agriculture are still needed.

Some of the regions in Oregon also saw legislative actions that coincided with recommendations from the 2015 Board Report. These included investments in Sage-Grouse habitat protection/restoration, continued support for the Wolf Depredation Compensation and Financial Assistance Grant Program, and approval of the wetland pilot project to provide Tillamook County greater input during implementation of wetland projects next to EFU lands.

Although not in the 2015 report but a benefit to Oregon's agriculture and food sector, the legislature made investments in ODA and Oregon State University. These two entities provide important services and resources to fishermen, farmers, ranchers and food processors across the state.

Significant legislation such as minimum wage increase and new sick leave laws that passed last biennium have left many in agriculture concerned for the future of their operations. Since the industry is a "price taker" and not a "price maker," farmers and ranchers are trying to figure out how to adapt to these increased businesses costs while remaining competitive in the market place.

The Invasive Species Education Station provided examples of insect and noxious weed pests in front of the Oregon State Capitol.

It is not just these individual bills that have the agricultural community concerned, it is the cumulative impact of legislation. Legislation that impacts Oregon's agricultural and food sector needs to be looked at holistically, not individually.

In addition to giving consideration to the cumulative impact legislative actions have on the agricultural and food sector, individual recommendations for the 2017 board report appear after each section and are also available in an attachment that accompanies this report.

An investment in Oregon agriculture is an investment in the future of the state.

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ACKNOWLEDGEMENTS

We would like to thank the following individuals for providing insight and information into the regional sections of the report.

Bill Burhig, Crop Agent, OSU Malheur County Extension

John Burt, Executive Director, Farmers Ending Hunger

Nellie McAdams, Farm Preservation Program Director, Rogue Farm Corps

Mike McCarthy, Orchardist, Parkdale

Staff from the Oregon Department of Agriculture

Oregon Department of Agriculture
Wolf Depredation Compensation and Financial Assistance County Block Grant Program

2013-15 Biennial Report

Pursuant to ORS 610.150(5), this report is presented to the Legislative Assembly each biennium in order to specify the actions taken by counties, compensation paid by counties and financial assistance provided to counties under the Oregon Department of Agriculture's Wolf Depredation Compensation and Financial Assistance County Block Grant Program.

Oregon Department of Agriculture
Alexis M. Taylor, Director

February 2, 2017

Table of Contents

Executive Summary

2014-15 ODA Wolf Grant Funding

Funding for the 2014-15 grant periods included:

- 13-15 General Funds - $197,000
- 2014 U.S. Fish and Wildlife Services Wolf Grant - $63,125
    - 11,250 for direct compensation
    - $51,875 for prevention techniques
- 2015 U.S. Fish and Wildlife Services Wolf Grant - $53,000 (prevention only)

2014 Grant Period

County Programs – During 2014, twelve (12) counties had functioning County Wolf Compensation Programs. They include Baker, Crook, Grant, Jefferson, Klamath, Malheur, Morrow, Umatilla, Union, Wallowa, Wasco and Wheeler.

Wolf Population and Distribution – According to the Oregon Department of Fish and Wildlife (ODFW), the 2014 Oregon minimum wolf population was 77 wolves. This is a 20% increase from the previous year. Nine packs were documented and eight of those packs met the criteria as breeding pairs. Known wolf packs occurred in parts of Baker, Jackson, Klamath, Umatilla, Union, and Wallowa Counties. In addition six new pairs of wolves were also confirmed in Oregon; five within the Eastern Wolf Management Zone and one within the Western Wolf Management Zone.

Depredation - Four of Oregon's wolf packs (Imnaha, Mt. Emily, Umatilla River, Meacham), and one unknown group of wolves in the Chesnimnus Unit depredated livestock in 2014. Overall, confirmed/probable incidents of depredation decreased in 2014 from the previous year (13 vs. 15), however the number of losses increased as a result of multiple sheep being killed during one or more incidents. The ODFW conducted 34 wolf depredation investigations in five Oregon counties, which resulted in 13 (38%) confirmed/probable incidents, 9 (27%) possible/unknown incidents, and 12 (35%) other incidents.

2014 Grant Awards - The Oregon Department of Agriculture's compensation program awarded $150,830 to 8 county wolf programs in 2014:

County	Death/Inj	Missing	Prevention	Co. Admin	Totals
Wallowa	$7,482	$13,596	$43,500	$675	$65,253
Umatilla	$1,000	$3,000	$35,000	$675	$39,675
Morrow			$3,000	$675	$3,675
Malheur				$450	$450
Union			$5,000		$5,000
Crook			$3,000		$3,000
Baker		$17,282	$14,000	$495	$31,777
Wheeler			$2,000		$2,000
Totals	**$8,482 (5.5%)**	**$33,878 (22.5%)**	**$105,500 (70%)**	**$2,970 (2%)**	**$150,830**

2015 Grant Period

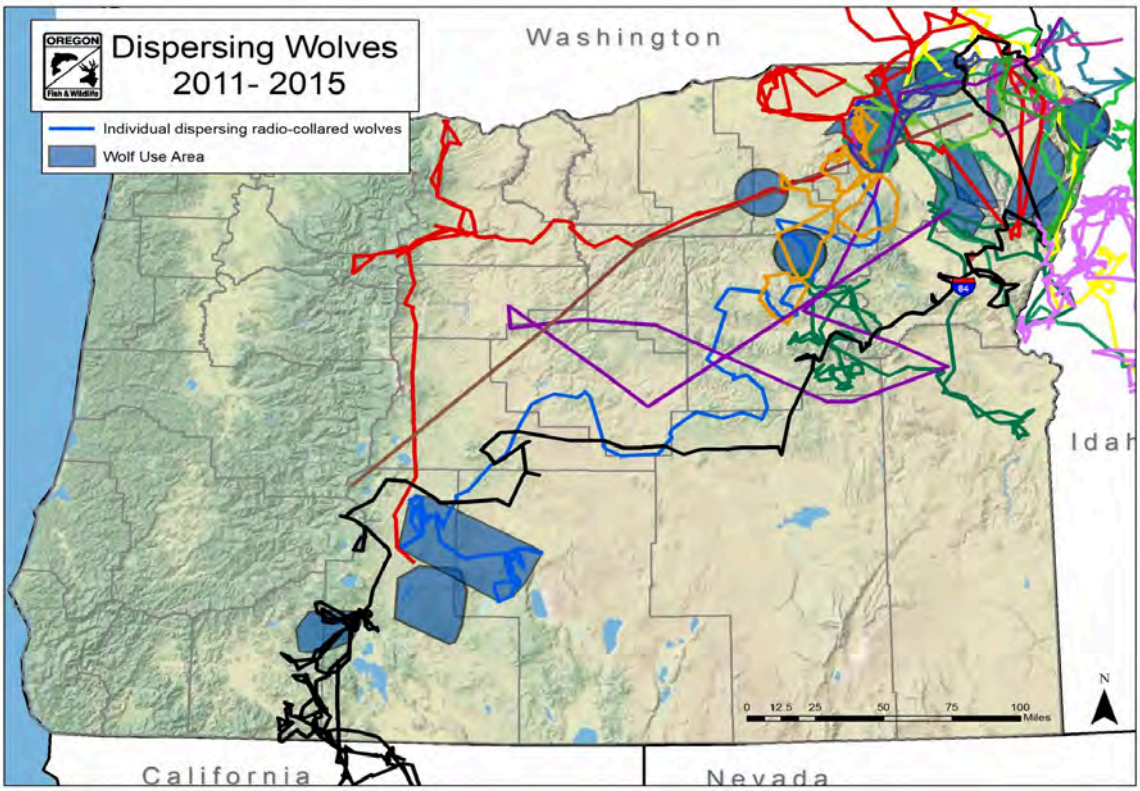
County Programs - During 2015, twelve (12) counties had functioning County Wolf Compensation Programs. They include Baker, Crook, Grant, Jefferson, Klamath, Malheur, Morrow, Umatilla, Union, Wallowa, Wasco and Wheeler.

Wolf Population and Distribution – According to the ODFW, the 2015 minimum known Oregon wolf population was 110 wolves, a 36% increase from the previous year. The 2014 population was reported as 77 wolves; this number was increased retroactively to 81 when additional evidence was collected showing that there was a pack of six wolves (with breeding pair status), instead of two, in the South Snake group.

Depredation – For 2015, the ODFW conducted 33 wolf depredation investigations in five Oregon counties, which resulted in 11 (33%) confirmed/probable incidents, 13 (39%) possible/unknown incidents, and 8 (24%) other incidents. Confirmed/probable losses in 2015 were 5 cattle, 11 sheep, and 3 livestock working dogs. Four of Oregon's wolf packs (Imnaha, Mt. Emily, Umatilla River, Sled Springs), and one individual wolf (OR25) in Klamath County depredated livestock. During 2015, 29% of packs that were active during the year depredated livestock.

2015 Grant Awards - The Oregon Department of Agriculture's compensation program awarded $167,710.04 to 10 county wolf programs in 2015:

County	Death/Inj	Missing	Prevent.	Co. Admin	Total
Wallowa	$3,930	$16,600	$38,262.04	$675.00	$59,467.04
Umatilla	$1,800	$975	$53,398	$675.00	$56,848
Baker	$1,470	$19,900	$5,400	$495.00	$27,265
Union	0	0	$8,000	0	$8,000
Malheur	0	0	0	$450.00	$450
Morrow	0	0	$5,700	$675	$6,375
Crook	0	0	$650.00	0	$650
Jefferson	0	0	$1,230	$675	$1,905
Wheeler	0	0	$750	0	$750
Klamath	0	0	6,000	0	$6,000
Totals	**$7,200 (5%)**	**$37,475 (22%)**	**$119,390.04 (71%)**	**$3,645 (2%)**	**$167,710.04**



Background

With a lone gray wolf entering Oregon back in 1999, from Idaho's experimental population, gray wolves have continued to disperse into Oregon from Idaho and have established breeding populations. As in other western states with wolf populations, livestock producers have been affected financially due to direct losses of livestock from wolf depredations.

Realizing that the ranching and farming industry are important components of the Oregon economy, Governor Kitzhaber, on August 2, 2011, signed into effect House Bill (HB) 3560, which directed the Oregon Department of Agriculture (ODA) to establish and implement a wolf depredation compensation and financial assistance grant program, using moneys ($100,000 of appropriated general funds) in the Wolf Management Compensation and Proactive Trust Fund. Funds from this grant program are awarded to counties to help create and implement County Wolf Depredation Compensation Programs under which:

- Compensation may be awarded to reimburse persons for livestock or working dogs that are injured or killed due to confirmed or probable wolf depredation;

- Compensation may be awarded to reimburse persons for livestock or working dogs that are missing due to wolf depredation;

- Financial assistance may be awarded to persons to assist with the implementation of livestock management techniques or nonlethal wolf deterrence techniques designed to discourage wolf depredation of livestock;

- Compensation may be awarded to counties for allowable expenses associated with implementing the block grant program in their county.

ODA's Wolf Depredation Compensation and Financial Assistance Grant Program complements and supports Oregon Department of Fish and Wildlife's Wolf Conservation and Management Plan in the area of developing and maintaining a cooperative livestock producer assistance program that proactively minimizes wolf-livestock conflict and assists livestock producers experiencing wolf-related livestock losses.

County Eligibility

On December 28, 2011, ODA finalized administrative rules for implementation and administration of the grant program (OAR 603-019-0001 through 603-019-0040). Eligible applicants are limited to county governments that have met the following requirements:

- Established a county advisory committee to oversee the county wolf depredation compensation program. Advisory committee membership shall include:
    - One county commissioner;
    - Two members who own or manage livestock; and
    - Two members who support wolf conservation or coexistence with wolves.
    - Once established, the county advisory committee shall agree upon two county business representatives to serve as additional county advisory committee members.
- Establish eligibility requirements for compensation that ensures:

    - Applicants did not unreasonably or purposely create circumstances that attracted wolves or encourage conflict between wolves and livestock or working dogs.
    - Within an area of known wolf activity, applicants have demonstrated implementation of best management practices to deter wolves including reasonable non-lethal methods when practical.
    - Outside an area of known wolf activity, applicants may be eligible for compensation regardless of preexistence of wolf deterrence techniques.
    - In regards to missing livestock, applicants must document that other possible causes for their animals to be missing, not including wolf depredation, have been eliminated for the number of missing animals they are claiming.
- Establish procedures that give livestock owners experiencing higher than expected death or injury to livestock or working dogs priority of grant funds received under the county program.
- Establish compensation rates, for death or injury of livestock or working dogs attributable to wolf depredation, that are based on fair market value.
- Establish compensation rates for missing livestock attributable to wolf depredation within an area of known wolf activity;
- At a minimum, 30% of each years grant funds, as awarded by ODA to the county, must be distributed for livestock management techniques or nonlethal wolf deterrence techniques designed to discourage wolf depredation of livestock;
- Contribute an amount of money equal to 10% of the allowable expenditures necessary to implement the county program during a calendar year.

Application Process

The wolf grant period runs from mid February to the mid February of the following year. The grant timeline was established based on stakeholder input and the fact that cattle are rounded up by January 1st. This schedule allows county advisory committees time to meet and process claims for losses and above normal missing livestock prior to submitting grant application to ODA. This also provides producers/counties time to estimate preventative needs based on data (i.e., updated wolf activity maps) that ODFW distributes in January of each year. The following was ODA's 2015 grant application schedule:

- January 30, 2015 — Grant application process open for county programs
- February 27, 2015 — Grant applications due to ODA
- Feb. 27 – March 6, 2015 — ODA application review process
- March 11, 2015 — Award notification and grant agreement mailed

Application Review and Award Methodology

The ODA reviews each grant application for completeness, accuracy and consistency with applicable statutes and rules. The ODA also may consider information from the following sources when making award decisions:

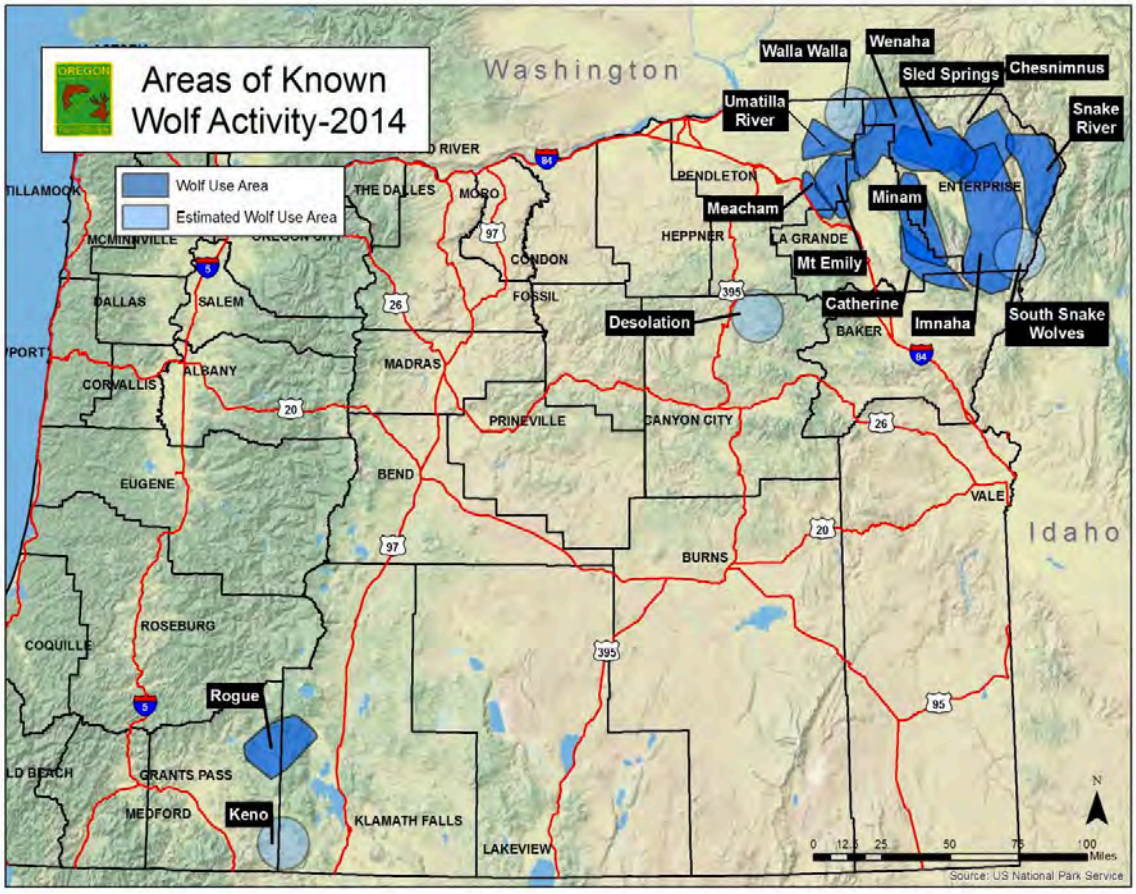
- Stakeholder meetings, conference calls and follow-up conversations with applicable County Advisory Counsel member(s);
- Annual reports, monthly wolf updates, livestock loss investigation reports, maps, GPS Radio-Collared location reports and other discussions with ODFW;
- Professional knowledge and experience from the ODA State Veterinarian;
- Conversations and input from regional U.S. Fish and Wildlife Service staff;

- Other state wolf depredation programs within the U.S. (Montana, Idaho, New Mexico, etc.); and,
- The Governor's Office

2014 Grant Period

County Programs – During 2014, twelve (12) counties had functioning County Wolf Compensation Programs. They include Baker, Crook, Grant, Jefferson, Klamath, Malheur, Morrow, Umatilla, Union, Wallowa, Wasco and Wheeler.

Wolf Population and Distribution – According to the Oregon Department of Fish and Wildlife (ODFW), the 2014 Oregon minimum wolf population was 77 wolves. This is a 20% increase from the previous year. Nine packs were documented and eight of those packs met the criteria as breeding pairs. Known wolf packs occurred in parts of Baker, Jackson, Klamath, Umatilla, Union, and Wallowa Counties. In addition six new pairs of wolves were also confirmed in Oregon; five within the Eastern Wolf Management Zone and one within the Western Wolf Management Zone.



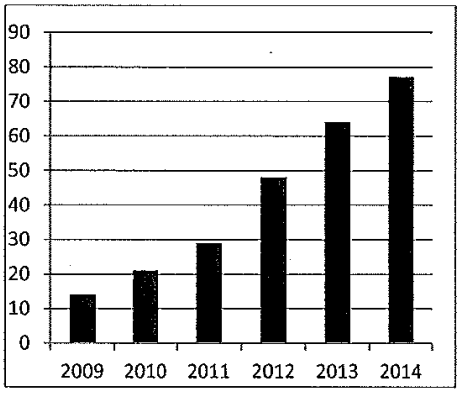


Figure 2. Estimated minimum wolf population in Oregon (2009-2014).

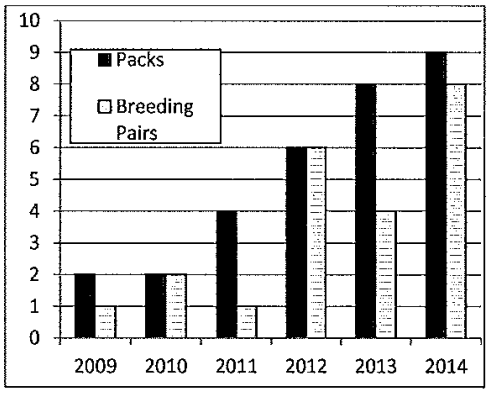


Figure 3. Number of packs and breeding pairs in Oregon (2009-2014).

Depredation - Four of Oregon's wolf packs (Imnaha, Mt. Emily, Umatilla River, Meacham), and one unknown group of wolves in the Chesnimnus Unit depredated livestock in 2014. Overall, confirmed/probable incidents of depredation decreased in 2014 from the previous year (13 vs. 15), however the number of losses increased as a result of multiple sheep being killed during one or more incidents. The ODFW conducted 34 wolf depredation investigations in five Oregon counties, which resulted in 13 (38%) confirmed/probable incidents, 9 (27%) possible/unknown incidents, and 12 (35%) other incidents.

2014 Grant Requests – Eight counties applied for wolf grant funding from ODA for a total request of $174,155.

County	Death/Inj	Missing	Prevention	Co. Admin	Totals
Wallowa	$7,482	$13,596	$43,500	$675	$65,253
Umatilla	$1,000	$3,000	$35,000	$675	$39,675
Morrow	$6,000	$1,000	$12,000	$2,500	$21,500
Malheur				$450	$450
Union			$10,000		$10,000
Crook			$3,000		$3,000
Baker		$17,282	$14,000	$495	$31,777
Wheeler			$2,500		$2500
Totals	**$14,482**	**$34,878**	**$120,000**	**$4,795**	**$174,155**

2014 Grant Awards - The Oregon Department of Agriculture awarded $150,830 to 8 county wolf programs in 2014:

County	Death/Inj	Missing	Prevention	Co. Admin	Totals
Wallowa	$7,482	$13,596	$43,500	$675	$65,253
Umatilla	$1,000	$3,000	$35,000	$675	$39,675
Morrow			$3,000	$675	$3,675
Malheur				$450	$450
Union			$5,000		$5,000
Crook			$3,000		$3,000
Baker		$17,282	$14,000	$495	$31,777
Wheeler			$2,000		$2,000
Totals	**$8,482 (5.5%)**	**$33,878 (22.5%)**	**$105,500 (70%)**	**$2,970 (2%)**	**$150,830**

Wallowa County

- $7,482 awarded for direct compensation that reimbursed 12 cases of depredation (11 confirmed and 1 probable) of 11 cows and 1 sheep;
- $13,569 awarded for missing livestock which covered 4 claims and a total of 13 cows;
- $43,500 awarded for prevention that cover costs for range riders;
- $675 awarded for county administration costs associated with administering their county wolf program.

Umatilla County

- $1,000 awarded for direct compensation that covered 6 sheep and a goat;
- $3,000 awarded for missing livestock that covered a claim for three missing cows;
- $35,000 awarded for prevention that covered fladry, guard dogs, cowbells and range riders.
- $675 awarded for county administration costs associated with administering their county wolf program.

Morrow County

- $3,000 awarded for prevention which covered fladry and fencing materials;
- $675 awarded for county administration costs associated with administering their county wolf program.

Malheur County

- $495 awarded for county administration costs associated with administering their county wolf program.

Union County

- $5,000 awarded for prevention, of which $1,949 went towards the cost of guard dogs and the remaining $3,051 was refunded back to ODA as unspent funds.

Crook County

- $3,000 awarded for a bone pile removal prevention project. This project was never implemented and the county refunded $3,000 back to ODA.

Baker County

- $17,282 awarded for missing livestock which covered one claim for 12 cows and 12 calves;
- $14,000 awarded for prevention, which was used for fladry, fencing and range riders. $3,039 was refunded back to ODA as unspent county grant funds.
- $495 awarded for county administration costs associated with administering their county wolf program.

Wheeler County

- $2,000 was awarded for prevention and used to create informational material for ranchers and public (Wolf Safety Guide – Featuring non-lethal deterrents)

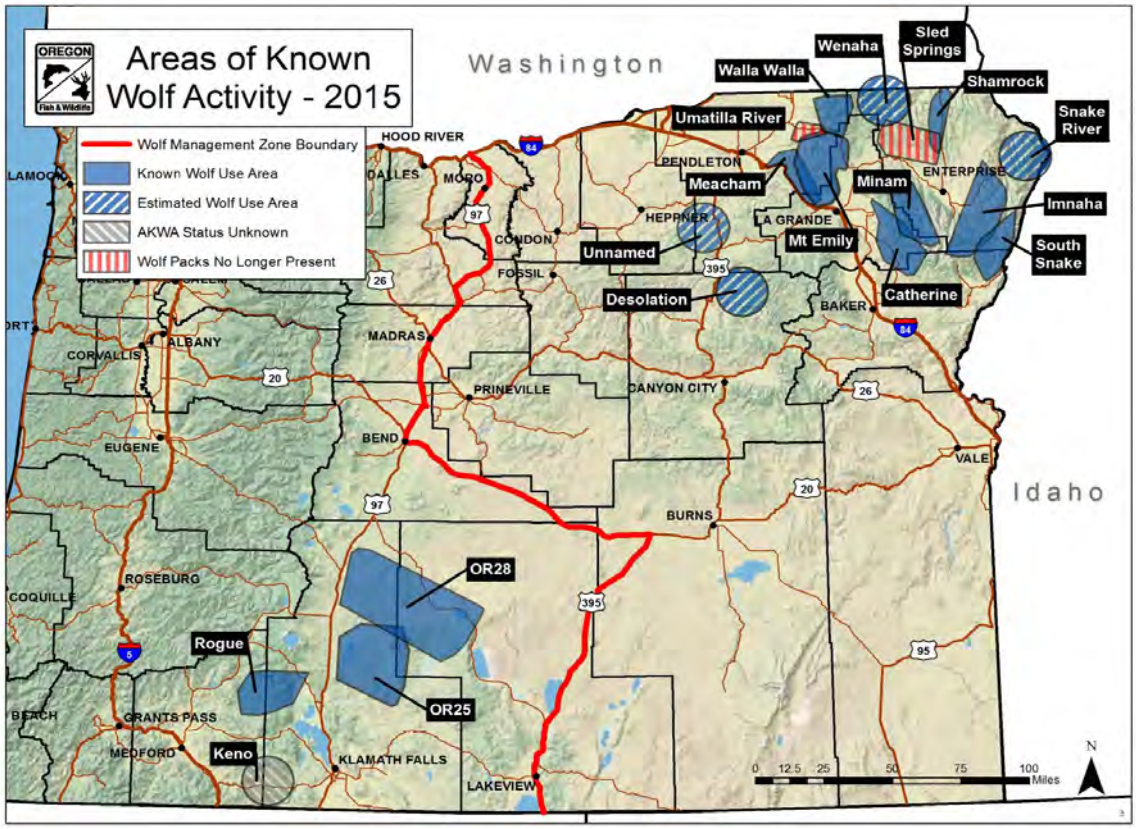
2014 Unspent County Grant Funds – The following county programs sent unspent grant funds back to ODA to be re-deposited in the Wolf Trust Fund:

- Crook County - $3,000 (Prevention)
- Union County - $3,051 (Prevention)
- Baker County - $3,039 (Prevention)

2015 Grant Period

County Programs - During 2015, twelve (12) counties had functioning County Wolf Compensation Programs. They include Baker, Crook, Grant, Jefferson, Klamath, Malheur, Morrow, Umatilla, Union, Wallowa, Wasco and Wheeler.

Wolf Population and Distribution – According to the ODFW, the 2015 minimum known Oregon wolf population was 110 wolves, a 36% increase from the previous year. The 2014 population was reported as 77 wolves; this number was increased retroactively to 81 when additional evidence was collected showing that there was a pack of six wolves (with breeding pair status), instead of two, in the South Snake group.



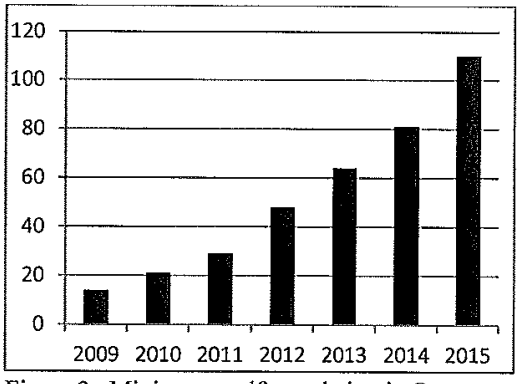


Figure 2. Minimum wolf population in Oregon (2009-2015).

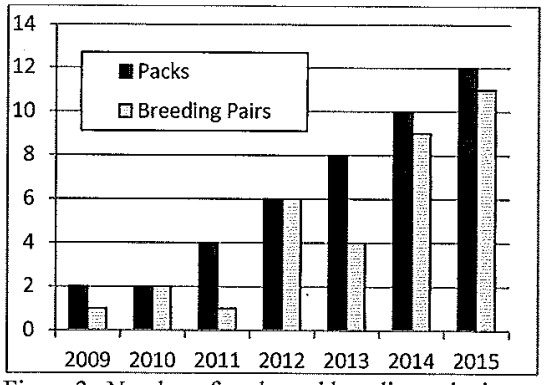


Figure 3. Number of packs and breeding pairs in Oregon (2009-2015).

Depredation – For 2015, the ODFW conducted 33 wolf depredation investigations in five Oregon counties, which resulted in 11 (33%) confirmed/probable incidents, 13 (39%) possible/unknown incidents, and 8 (24%) other incidents. Confirmed/probable losses in 2015 were 5 cattle, 11 sheep, and 3 livestock working dogs. Four of Oregon's wolf packs (Imnaha, Mt. Emily, Umatilla River, Sled Springs), and one individual wolf (OR25) in

Klamath County depredated livestock. During 2015, 29% of packs that were active during the year depredated livestock.

2015 Grant Requests – Nine counties applied for wolf grant funding from ODA for a total request of $255,906.

County	Death/Inj.	Missing	Prevent.	Co. Admin	Total
Wallowa	$3,930.00	$33,200.00	$40,000.00	$675.00	$77,805.00
Umatilla	$1,800.00	$975.00	$75,000.	$675.00	$78,450.00
Baker	$1,470.00	$39,801.00	$18,000.00	$495.00	$59,766.00
Union	0	0	$10,000	0	$10,000
Malheur	0	0	0	$450.00	$450.00
Morrow	0	0	$19,000	$2,500.00	$21,500.00
Crook	0	0	$650.00	O	$650.00
Jefferson	0	0	$4,100.00	$685.00	$4,785.00
Wheeler	O	O	$2,500.00	0	$2,500.00
Totals	**$7,200.00**	**$73,976.00**	**$169,250.00**	**$5,480.00**	**$255,906.00**

2015 Grant Awards - The Oregon Department of Agriculture's compensation program awarded $167,710.04 to 10 county wolf programs in 2015:

County	Death/Inj	Missing	Prevent.	Co. Admin	Total
Wallowa	$3,930	$16,600	$38,262.04	$675.00	$
Umatilla	$1,800	$975	$53,398	$675.00	$
Baker	$1,470	$19,900	$5,400	$495.00	$
Union	0	0	$8,000	0	$8,000
Malheur	0	0	0	$450.00	$450.00
Morrow	0	0	$5,700	$675	$6,375
Crook	0	0	$650.00	0	$650.00
Jefferson	0	0	$1,230	$675	$1,905
Wheeler	0	0	$750	0	$750
*Klamath	0	0	6,000	0	$6,000
Totals	**$7,200 (5%)**	**$37,475 (22%)**	**$119,390.04 (71%)**	**$3,645 (2%)**	**$167,710.04**

*Note: Klamath County filed an emergency prevention claim later in the year due to depredation from a lone wolf in the area.

Wallowa County

- $3,930 awarded for direct compensation that reimbursed 5 claims covering 3 dead cows, 1 injured cow, 5 dead sheep and 18 injured sheep;
- $16,600 awarded for missing livestock which covered 4 claims and a total of 21 cows above normal loss (paid at 50% of total submitted claim of $37,130))
- $38,262 awarded for prevention all cover expenses for range riders, carcass burial, communication radios and supplies;
- $675 awarded for county administration costs associated with administering their county wolf program

Umatilla County

- $1,800 awarded for direct compensation to cover 8 dead sheep;
- $975 awarded for missing livestock to cover claim of 4 lambs and 2 ewes (reduced by 75% by county);
- $53,398 awarded for prevention to cover fladry, night penning lights and fencing, guard dogs, cow bells, bone pile removal and carcass burial, range riders and telemetry equipment;

- $675 awarded for county administration costs associated with administering their county wolf program.

Baker County

- $1,470 awarded for direct loss of dead calf;
- $19,900 awarded for missing livestock which covered 3 claims (3 ranches);
- $5,400 awarded for prevention which covered range rider expenses;
- $495 awarded for county administration costs associated with administering their county wolf program.

Union County

- $8,000 awarded for prevention. Union county did not use any of these funds and the entire balance of $8,000 was returned to ODA and re-deposited into the Wolf Trust Account.

Malheur County

- $450 awarded for county administration costs associated with administering their county wolf program.

Morrow County

- $5,700 awarded for prevention, which covered expenses for education, fladry and noise devices.
- $675 awarded for county administration costs associated with administering their county wolf program.

Crook County

- $650 awarded for prevention to cover educational costs to high-risk landowners. $371.20 of the grant award was refunded back to ODA as unspent funds.

Jefferson County

- $1,230 awarded for prevention;
- $675 awarded for administrative costs. Jefferson counted ended up refunding their total of $1,905 back to ODA as unspent county funds. This amount was re-deposited into the Wolf Trust Account.

Wheeler County

- $750 awarded for county administration costs associated with administering their county wolf program.

Klamath County

- $6,000 awarded (emergency grant made later in the year) for prevention to cover expenses associated with fladry, electric fencing and deterrent box.

<u>2015 Unspent County Grant Funds</u> - The following county programs sent unspent grant funds back to ODA to be re-deposited in the Wolf Trust Fund:

- Umatilla County - $1,352.22 (Prevention)
- Baker County - $2,408 (Prevention)
- Crook County - $321.71 (Prevention)
- Jefferson County - $1,905 (Prevention and admin.)
- Union County - $8,000 (Prevention)
- Wallowa County - $10,456 (Prevention)

Total: $24,442.93

Contact Information
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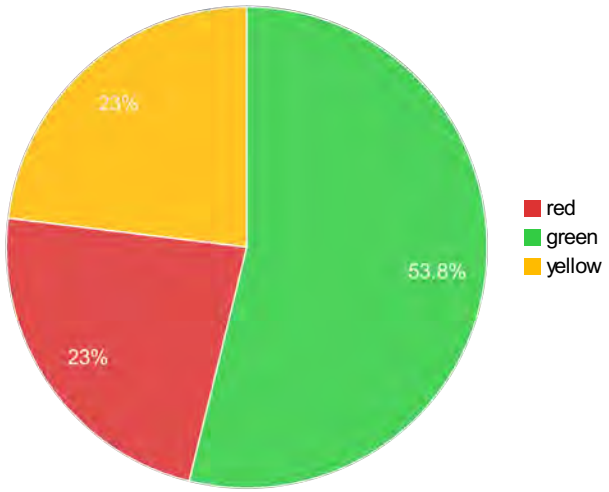
Agriculture, Department of

Annual Performance Progress Report

Reporting Year 2016

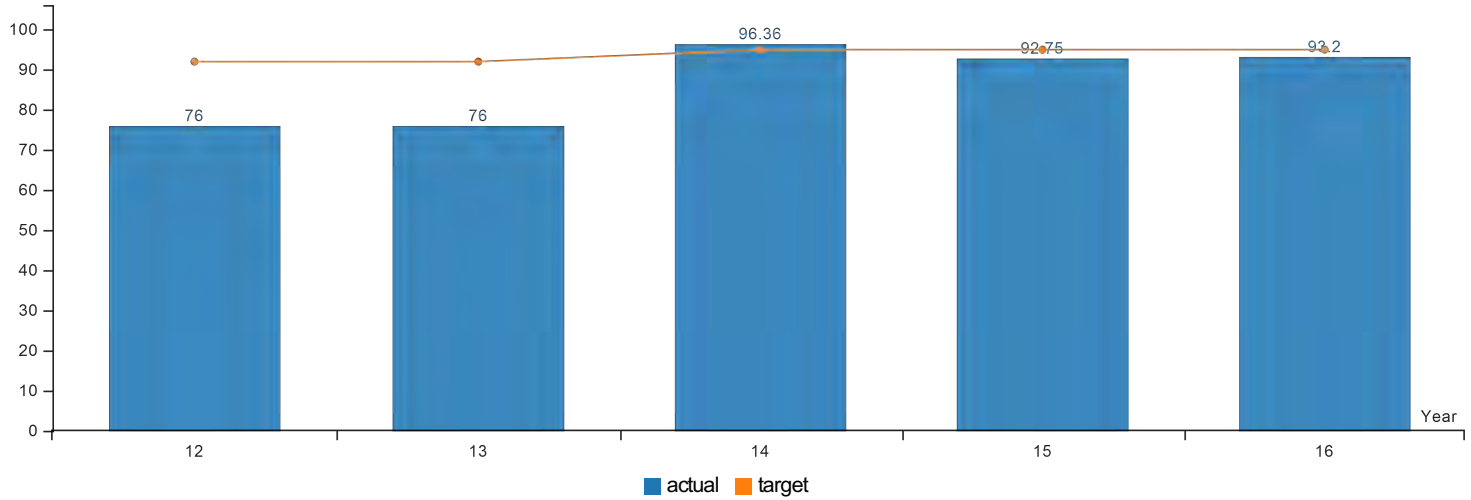
Published: 2/13/2017 9:34:42 AM

KPM #	Approved Key Performance Measures (KPMs)
1	Food Safety - Ensure high levels of compliance with each of the ten risk factors identified by Centers for Disease Control in retail stores.
2	Weighing and Measuring Devices - Percent of weighing and measuring devices examined found in compliance with Oregon's weights and measures laws.
3	Top 100 Exclusions - Percent of plant pests, diseases, or weeds on the Oregon 100 Most Dangerous Invaders list successfully excluded each year.
4	Noxious Weed Control - Percentage of state "A" & "T" listed noxious weed populations successfully excluded from the state or kept decreasing or stable.
5	T&E Plants - Percent of listed T&E plants with stable or increasing populations as a result of department management and recovery efforts.
6	Pesticide Investigations - Percent of pesticide investigations that result in enforcement actions.
7	Non-traditional 3rd party certification services - Number of days required to process and issue certification after audit completion.
8	Trade Activities - Sales as a result of trade activities with Oregon producers and processors.
9	Ag Employment - Number of jobs saved or created as a result of activities to retain or expand existing Oregon agricultural and food processing capacity. Measured in numbers of jobs based on telephone and email surveys of companies assisted.
10	CAFOs - Percent of permitted Oregon Confined Animal Feeding Operations (CAFOs) found to be in compliance with their permit during annual inspections.
11	Smoke Management - No increase above 2002 levels in hours of 'significant smoke intrusions' due to field burning in key cities in the Willamette Valley as measured by nephelometer readings.
12	Water Quality - Percent of monitored stream sites associated with predominantly agriculture use with significantly increasing trends in water quality.
13	Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.



Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -6% to -15%	= Target > -15%
Summary Stats:	53.85%	23.08%	23.08%

KPM #1	Food Safety - Ensure high levels of compliance with each of the ten risk factors identified by Centers for Disease Control in retail stores.
	Data Collection Period: Jan 01 - Dec 31



Report Year	2012	2013	2014	2015	2016
Ensure high levels of compliance with each of the ten risk factors identified by Centers for Disease Control in retail stores					
Actual	76%	76%	96.36%	92.75%	93.20%
Target	92%	92%	95%	95%	95%

How Are We Doing

The Food Safety Program works cooperatively with local, state, and federal food safety agencies, and with Oregon's food producers and manufacturers to advance food safety and protect consumers. The program uses a combination of education and regulatory activities to achieve a high rate of compliance with science-based food safety laws, rules, and standards.

We continue to see a high compliance rate, but it is slightly below the target of 95 percent compliance.

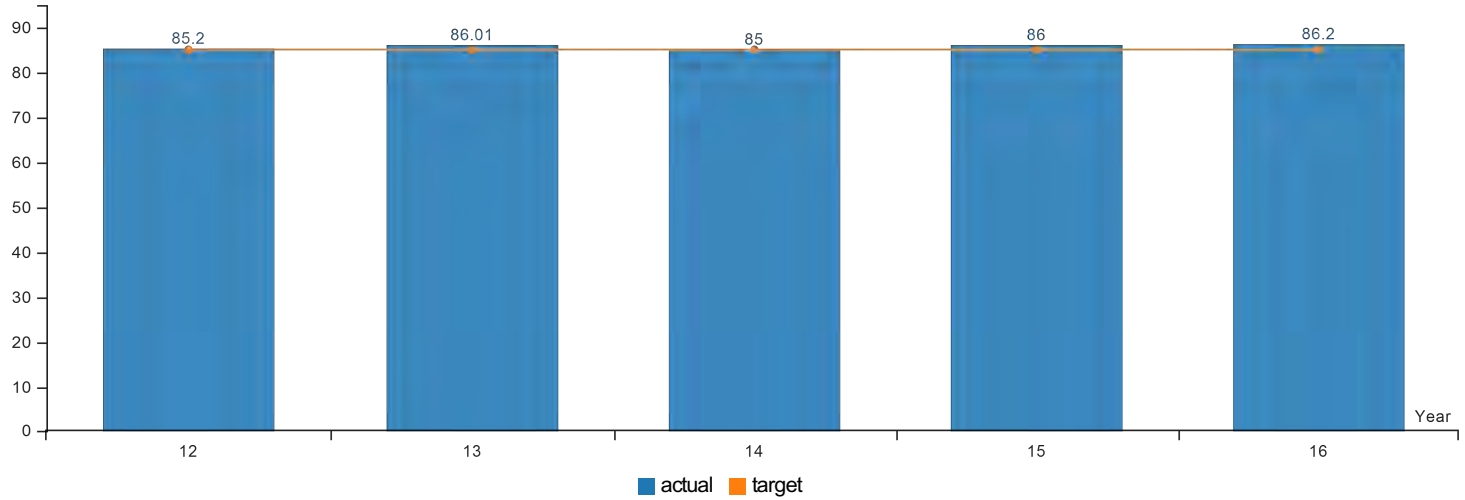
Factors Affecting Results

The food industry constantly changes due to advances in technology, federal and state law modifications, market trends, and the economy. Food Safety staff participate in continuous training to maintain and improve the quality of educational information and regulatory oversight that we provide to industry and to consumers. This training helps ensure consistency accross the state in how we apply regulations to new and existing types of food establishments.

The food safety program must maintain staffing levels and resources necessary to create and maintain professional relationships with industry partners, conduct a sufficient number of inspections to motivate compliance, and ensure public safety. Additionally, the program must track and respond to areas of noncompliance that are noted during inspections in a uniform and consistent manner, including ensuring resolution of enforcement action.

A recent audit by the Secretary of State Office noted the program had a backlog of overdue inspections and recommended several actions to address the backlog. The program is developing a strategic plan to address the recommendations.

KPM #2	Weighing and Measuring Devices - Percent of weighing and measuring devices examined found in compliance with Oregon’s weights and measures laws.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2012	2013	2014	2015	2016
Weighing & Measuring Devices					
Actual	85.20%	86.01%	85%	86%	86.20%
Target	85%	85%	85%	85%	85%

How Are We Doing

ODA has met or exceeded this KPM every year since 2009. Commercial transactions involving weight and measure touch virtually every aspect of economic life in Oregon. Approximately 58,600 licensed weighing and measuring devices located at 12,500 businesses make up Oregon's commercial weighing system.

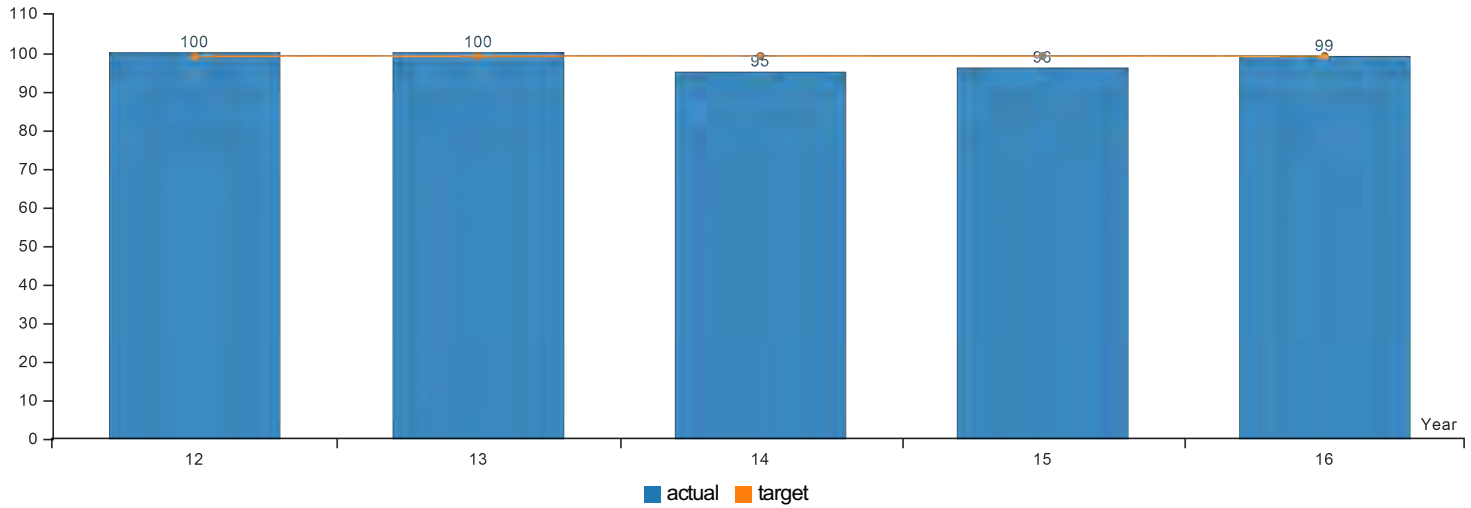
Factors Affecting Results

An increase in the number of new businesses using weighing and measuring devices, along with the introduction of new technological advancements in weighing and measuring devices in Oregon's commercial weighing system is a constant factor in determining whether or not these devices are legal for trade, accurate and being used for their intended purpose. For example, the increase in class I and II A scales associated with Oregon’s cannabis industry has resulted in a larger than normal increase in “not legal for trade” scales being identified and initial accuracy tests being rejected as many of the new scales are purchased and delivered without being calibrated. Weights and measures inspectors spend a longer than normal time with new device owners educating and training them on the proper placement, use and maintenance of these new devices. However, this customer-time shortens with every ongoing examination and compliance rates do tend to increase.

With inspection caseloads increasing over the last several years (1999 = 48,632 devices, 2016 = 58,600 devices), along with new duties and responsibilities being added to the weights and measures inspectors caseload (2007- Motor Fuel Quality, 2011- Egg-Laying Hen Care, 2015 - assisting Food Safety Program) it is becoming increasingly more difficult to maintain annual examination rates across the state. ODA's weights and measures program needs to be able to maintain sufficient numbers of highly trained staff in order to meet the technological, regulatory and compliance requirements of a growing commercial weighing systems.

The program also needs the capacity to maintain and acquire specialized testing equipment (e.g. new railroad testing unit) and advancements in mobile applications, automated IT inspection tools and case management systems in order to help achieve efficiency outcomes.

KPM #3	Top 100 Exclusions - Percent of plant pests, diseases, or weeds on the Oregon 100 Most Dangerous Invaders list successfully excluded each year.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2012	2013	2014	2015	2016
Top 100 Exclusions					
Actual	100%	100%	95%	96%	99%
Target	99%	99%	99%	99%	99%

How Are We Doing

The Oregon Invasive Species Council (OISC) publishes an annual list of the 100 Worst invasive species threatening to invade Oregon. The ODA Plant Protection and Conservation Program Area employs strategies to keep out invasive plant pests, including insects, weeds, and plant diseases, on this list from establishing in Oregon.

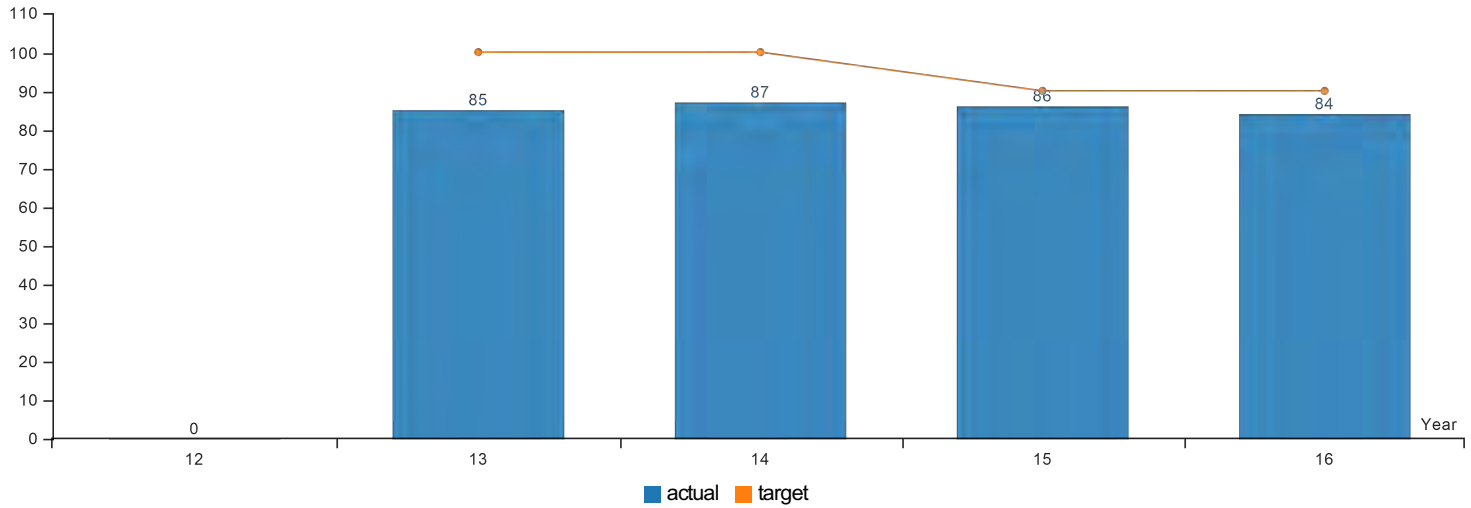
Three taxa were suggested to be removed from the list 100 Worst list, though their status was reported in a previous year. A breeding and contained population of Japanese beetle was detected by ODA in the summer of 2016, warranting a status change. No taxa were added to the list in 2016. Given this information, we recommend reporting 99 percent for 2016.

Factors Affecting Results

Introductions of invasive pest species are the direct result of global trade and travel. As globalization increases, so does the risk of introducing more harmful invasive species. ODA is responsible for surveying for hundreds of invasive pest species. Unfortunately, traps or other efficient survey tools are only available for about a third of the target species. When new invasive species are detected in the state, as is the case with Japanese beetle, ODA takes action to exclude populations before they can spread.

To improve and clarify invasive species management strategies used in the state, members of the Oregon Invasive Species Council (OISC) and other stakeholders were involved in a statewide strategic planning process focused on a pathways management approach. The pathways that established species used to enter the state can inform new partnerships and strategies for prevention. For example, recently established species came to Oregon through natural pathways (such as wind currents and waterfowl), nursery and garden trade, packing materials, and unknowing possession and transport of infested garden plants. OISC is in the process of updating the criteria for the list so that the 100 Worst list can include dangerous species at all stages of management and distribution within Oregon.

KPM #4	Noxious Weed Control - Percentage of state "A" & "T" listed noxious weed populations successfully excluded from the state or kept decreasing or stable.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2012	2013	2014	2015	2016
Noxious Weed Control					
Actual	No Data	85%	87%	86%	84%
Target	TBD	100%	100%	90%	90%

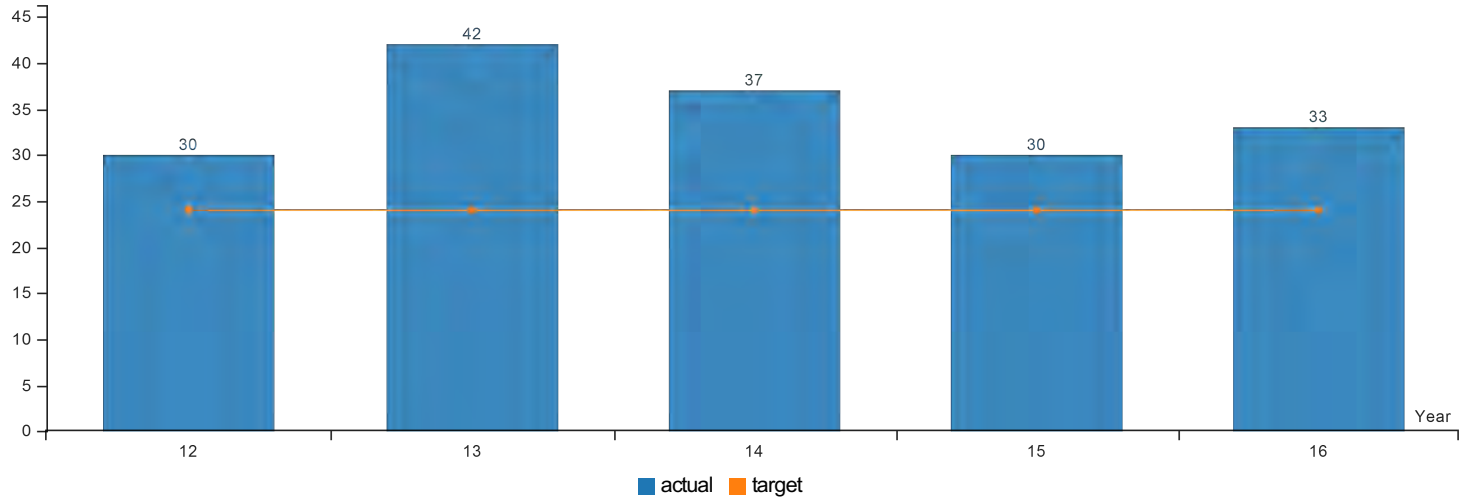
How Are We Doing

Preventing and controlling establishment of noxious weeds is the goal on this program. Currently 84% of "A" and "T" weeds are being managed sufficiently to maintain stable or decreasing populations.

Factors Affecting Results

Limited resources available to the state and local entitities make it difficult to keep up with new and existing populations of listed noxious weeds. Oregon has to prioritize and focus work annually on survey and control efforts. Successful eradication requires sustained efforts over long periods of time and often those efforts do not match available resources.

KPM #5	T&E Plants - Percent of listed T&E plants with stable or increasing populations as a result of department management and recovery efforts.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2012	2013	2014	2015	2016
Threatened and Endangered Plants					
Actual	30%	42%	37%	30%	33%
Target	24%	24%	24%	24%	24%

How Are We Doing

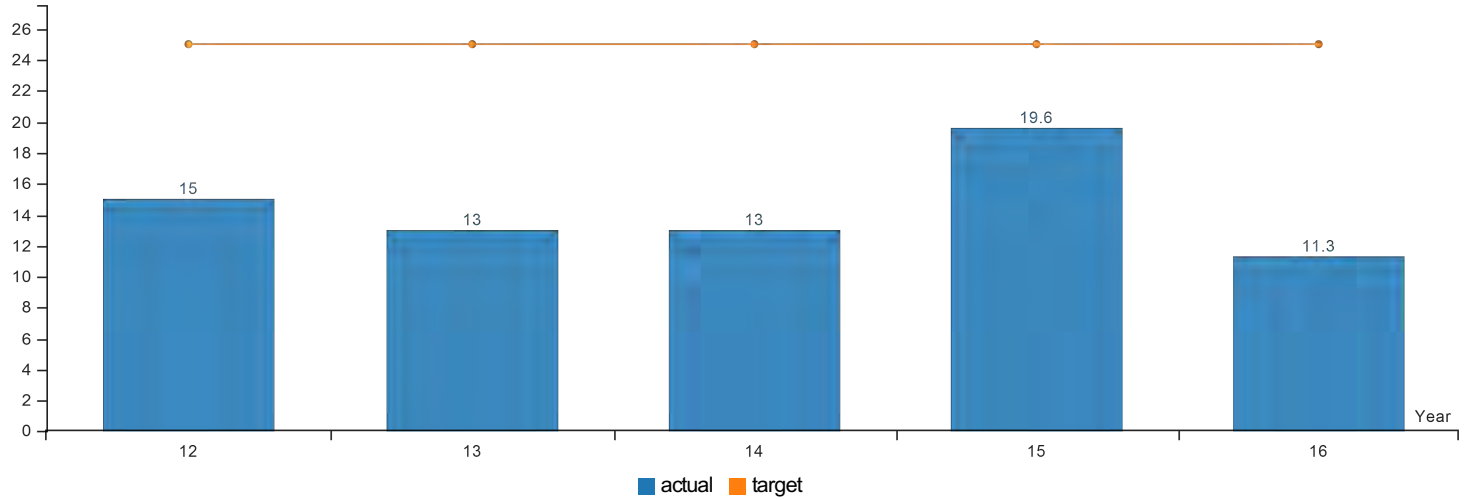
The native plant conservation program focuses on assisting public agencies and Oregon's citizens with issues involving state protected native plants on non-federal public lands.

In FY2016, ODA staff coordinated with 20 federal, state, and local government agencies (including the U.S. Fish and Wildlife Service, U.S. Forest Service, Bureau of Land Management, Klamath Falls and Salem regional airports, Oregon Department of Forestry, Division of State Lands, Oregon Department of Parks and Recreation, Oregon Department of Transportation, Oregon Military Department, Oregon Department of Energy, and various counties and cities) regarding listed species on public lands throughout the state. Conservation work was initiated and continued for 34 of Oregon's 59 listed plants, in 20 Oregon counties, including 15 recovery-related projects for 11 species. Of the 34 species evaluated in FY 2016, the conservation status of 23 species is considered to be generally stable, although not necessarily improving.

Factors Affecting Results

The large number of native plant species in Oregon (5th highest in the U.S.) results in a comparatively heavier workload for the program relative to most other states. Minimal state resources further limit the program's ability to cope with public agency consultation requests, and affect the capacity to regularly evaluate the conservation status of listed species.

KPM #6	Pesticide Investigations - Percent of pesticide investigations that result in enforcement actions.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Percent of pesticide investigations that result in enforcement actions.					
Actual	15%	13%	13%	19.60%	11.30%
Target	25%	25%	25%	25%	25%

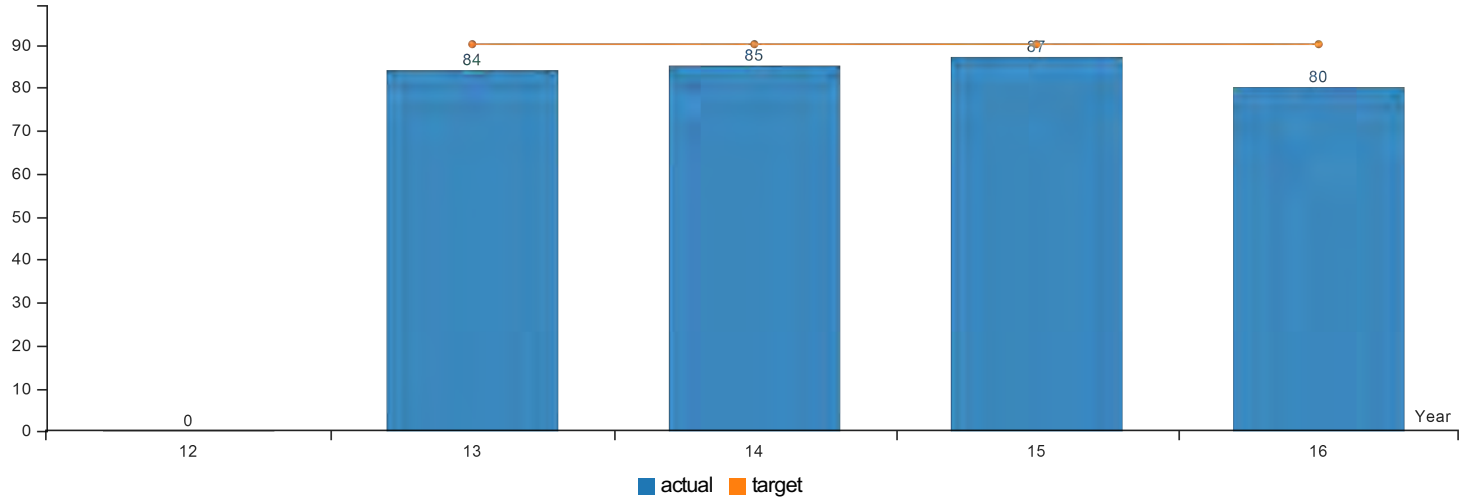
How Are We Doing

The Oregon Department of Agriculture (ODA) is responsible for regulating the sale, use, and distribution of pesticide products in Oregon. ODA provides pesticide education and outreach activities; licensing of pesticide operators, applicators, and dealers; conducts routine compliance monitoring; and conducts complaint driven investigations to determine compliance with ORS 634, Pesticide Control Law. These activities reduce the potential for misuse of pesticide products that may result in adverse health or environmental harm or damage. Having actuals below target indicates greater compliance with pesticide rules which reduces the enforcement actions and indicates the education and outreach programs have been effective in informing the regulated public of requirements.

Factors Affecting Results

Factors that may affect annual results include new state or federal pesticide laws and regulations, limited staff or resources to provide education and outreach or compliance monitoring to prevent misuse, increased public awareness or concern regarding pestidcide use practicies, increased focus on pesticide use activities, increased focus by the regulated community to follow requirements, and trends previously documented.

KPM #7	Non-traditional 3rd party certification services - Number of days required to process and issue certification after audit completion.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2012	2013	2014	2015	2016
Non-traditional 3rd Party Certification Services					
Actual	No Data	84%	85%	87%	80%
Target	TBD	90%	90%	90%	90%

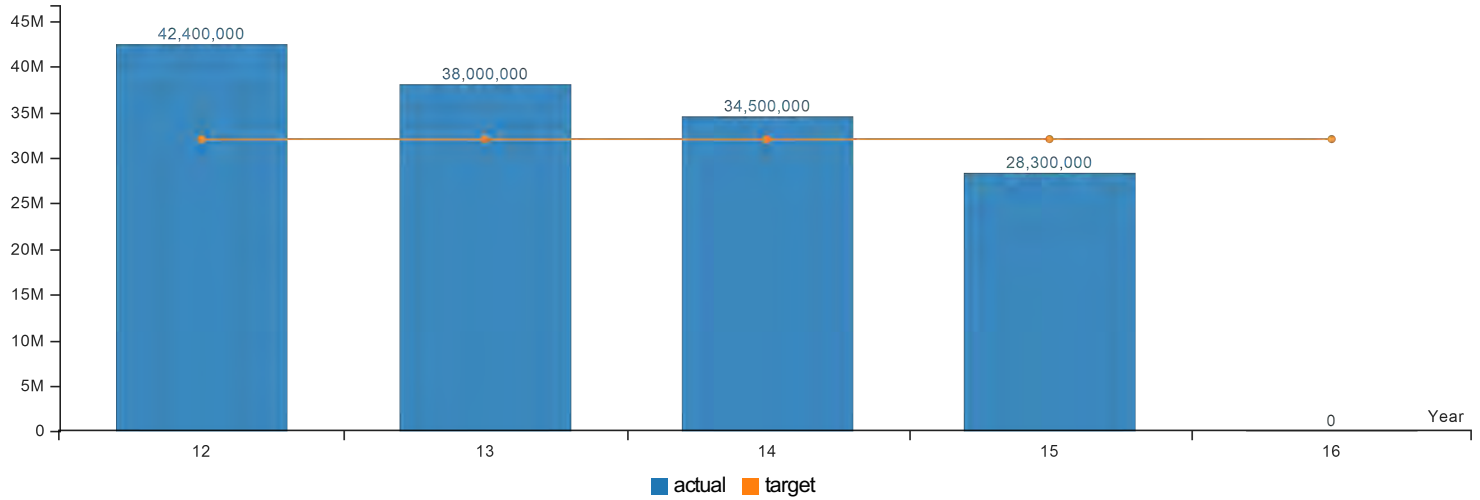
How Are We Doing

In calendar year 2016, ODA processed a total of 541 certification audits in the USDA GAP/GHP, GFSI, and National Organic Program certification programs. The program is currently running at 80 percent compliance with the 15 business-day benchmark.

Factors Affecting Results

Factors affecting results include: staffing concerns, auditor and administrative staff workload, reliance on outside partners for key tasks, and employee accuracy and competency. Due to short-staffing issues in 2016 specifically for conducting GFSI-benchmarked audits, the anticipated results were not met. Organic Certification met the goal at 100 percent and USDA GAP/GHP reports were handled in a timely manner 91 percent of the time, but only percent of GlobalGAP and PrimusGFS reports were submitted within 15 days of the audit date. The Organic Certification Program remained stable due to the addition of the Administrative Specialist position which was vacated in October 2016 and in the process of being re-filled. USDA GAP/GHP processing times are within the target parameter and delays with submissions are largely auditor-specific and not a systemic issue.

KPM #8	Trade Activities - Sales as a result of trade activities with Oregon producers and processors.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2012	2013	2014	2015	2016
Sales as a result of trade activities with Oregon producers and processors.					
Actual	$42,400,000.00	$38,000,000.00	$34,500,000.00	$28,300,000.00	$0.00
Target	$32,000,000.00	$32,000,000.00	$32,000,000.00	$32,000,000.00	$32,000,000.00

How Are We Doing

While we did not meet our sales target this year, we believe that the program continues to provide strong economic benefit to Oregon's agriculture and food processing industry. During a time of slow export growth for many of our agricultural and food sectors internationally, the program has been working diligently on several market access and business development issues that should yield strong results for the industry in coming years as they are accomplished. Changing market conditions and creating new markets is a long term investment, but it is imperative for Oregon agriculture as the industry faces aging infrastructure and rising costs of production.

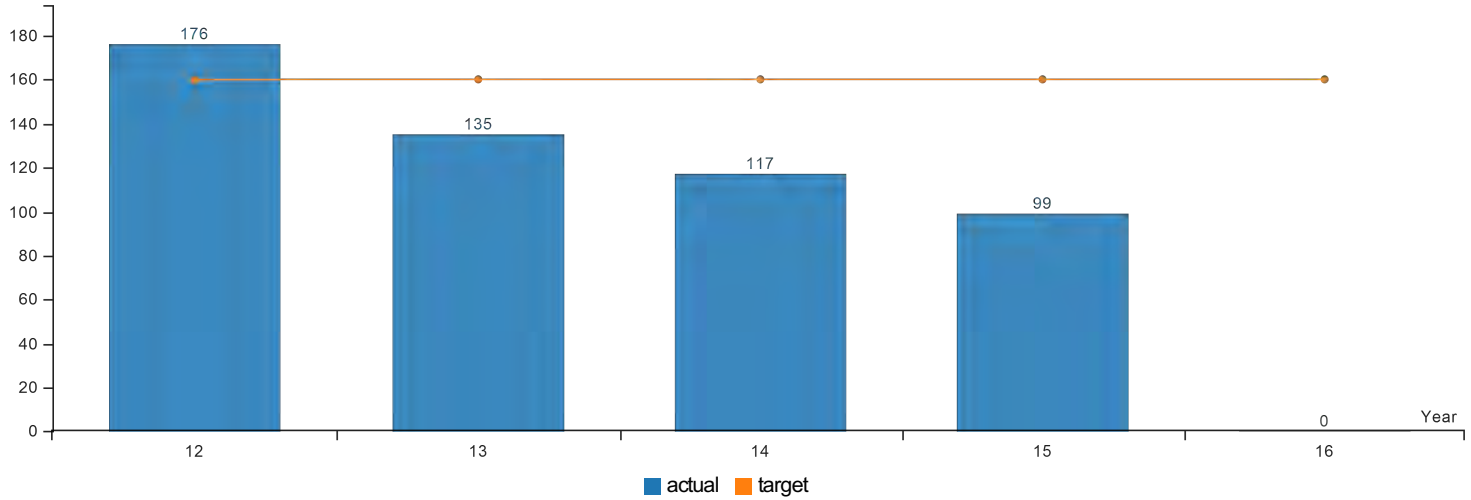
The program is also investing in a new internal database that will help it more efficiently follow up on trade opportunities and track the work that they are doing in support of the agricultural economy through trade activities. Challenges for exporters including transportation challenges and a strong dollar in 2015, spurred the Agricultural Development and Marketing program to look more closely at how it delivers service for domestic, regional and local markets. Domestic and local markets are a great opportunity for many new Oregon food and beverage companies and having a database that can track opportunities and successes will allow us to better report on these contributions.

Data for 2016 is not yet available.

Factors Affecting Results

Oregon shippers saw a significant downturn in exports in the 2015 calendar year due to a number of factors. The strong dollar tends to make high quality, high value agricultural goods more expensive for our emerging markets, particularly in Asia, and slows total volumes and sales. The industry was also still struggling to regain market share in many Asian markets in the aftermath of the west coast port issues that occurred at the end of the 2014. With continued suspension of service at Terminal 6 at the Port of Portland, fewer companies were increasing their volume to Asia.

KPM #9	Ag Employment - Number of jobs saved or created as a result of activities to retain or expand existing Oregon agricultural and food processing capacity. Measured in numbers of jobs based on telephone and email surveys of companies assisted.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2012	2013	2014	2015	2016
Ag Employment					
Actual	176	135	117	99	No Data
Target	160	160	160	160	160

How Are We Doing

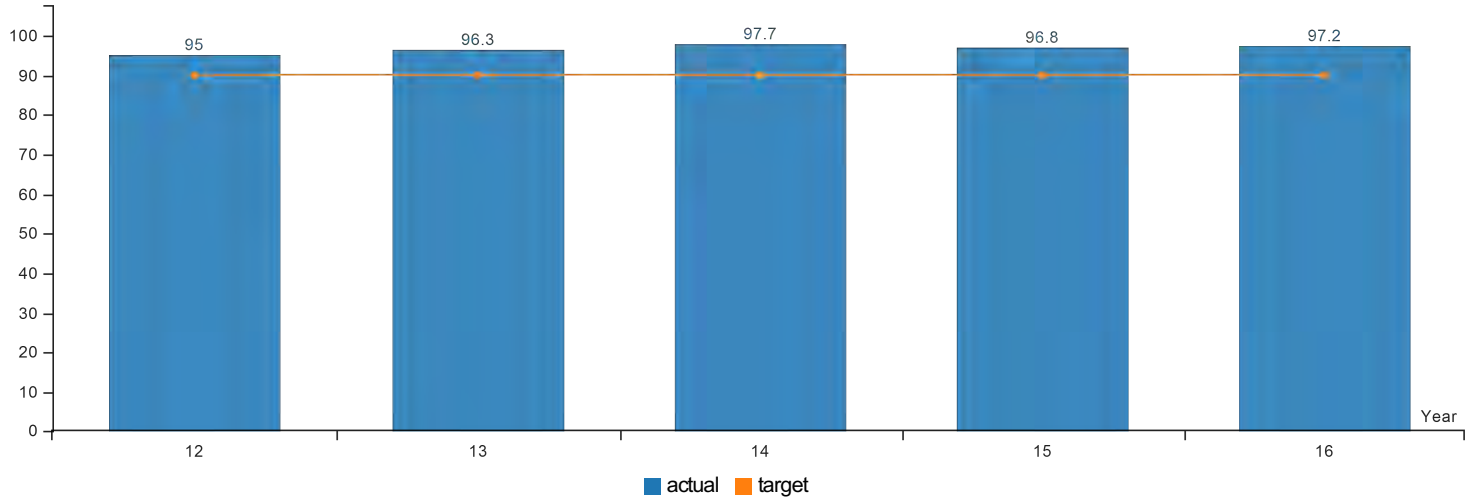
The program has not met its target for this measure for the past several years and is looking for a better way to measure performance in business development and recruitment activities. The actual goal of recruiting agricultural and food processing companies in Oregon still remains valid, but measuring by only jobs created or retained causes some inconsistencies in actually promoting economic growth. The program is looking for ways to better measure performance in recruitment and expansion efforts and looking to work with our partners in other economic development agencies to look at joint reporting and consistent measurement options.

Data for 2016 is not yet available.

Factors Affecting Results

Many existing Oregon agricultural and food processing companies are growing and expanding, but jobs may be reduced due to increases in technology and sophistication of equipment. Jobs measured on a yearly basis are also difficult to maintain, as large development and recruitment efforts are long term projects and don’t consistently produce jobs year on year.

KPM #10	CAFOs - Percent of permitted Oregon Confined Animal Feeding Operations (CAFOs) found to be in compliance with their permit during annual inspections.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2012	2013	2014	2015	2016
Percent of permitted Oregon Confined Animal Feeding Operations (CAFOs) found to be in compliance with their permit during annual inspections					
Actual	95%	96.30%	97.70%	96.80%	97.20%
Target	90%	90%	90%	90%	90%

How Are We Doing

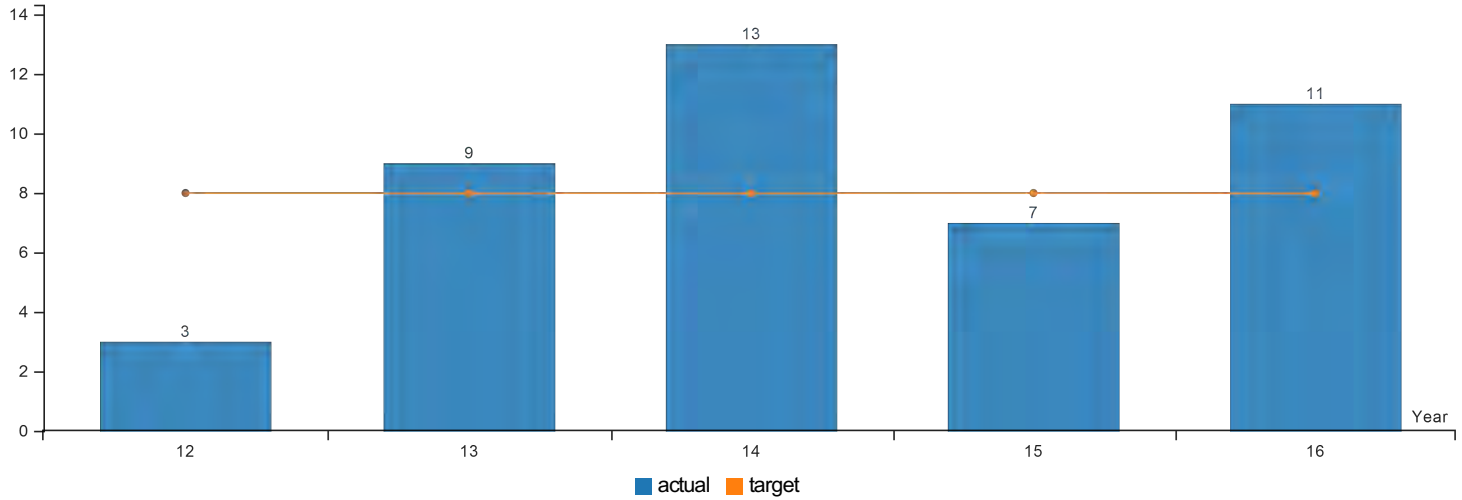
The Federal Clean Water Act provides for the regulation of confined animal feeding operations (CAFO) under a National Pollutant Discharge Elimination System (NPDES) permit. This authority has been granted to Oregon through an agreement with the US Environmental Protection Agency (EPA).

This measure demonstrates compliance of permitted CAFOs with state and federal water quality laws. The measure also allows ODA to bring swift resolution of permitted CAFOs in violation of permit or water quality laws and rules. Overall most facilities are able to operate in compliance with the permit. The ODA contines to work with all permittees to address challenges in meeting the requirment of the permit.

Factors Affecting Results

Change in ownership of CAFOs, technology available to operators, and weather conditions all affect compliance with the state permit. Thus, ongoing staff interaction with operators is necessary to prevent minor problems from becoming substantial.

KPM #11	Smoke Management - No increase above 2002 levels in hours of 'significant smoke intrusions' due to field burning in key cities in the Willamette Valley as measured by nephelometer readings.
	Data Collection Period: Jul 01 - Oct 15



Report Year	2012	2013	2014	2015	2016
Metric Value					
Actual	3	9	13	7	11
Target	8	8	8	8	8

How Are We Doing

In the Silverton Hills of Marion County and a small section of northwestern Linn County, grass seed and cereal grain residue is burned following harvest (primarily July-September). Field burning is conducted following careful meteorological examination to ensure maximum smoke evacuation, while reducing the potential of smoke “impacts” on the public. Precise prediction of weather patterns conducive to complete evacuation is an inexact science.

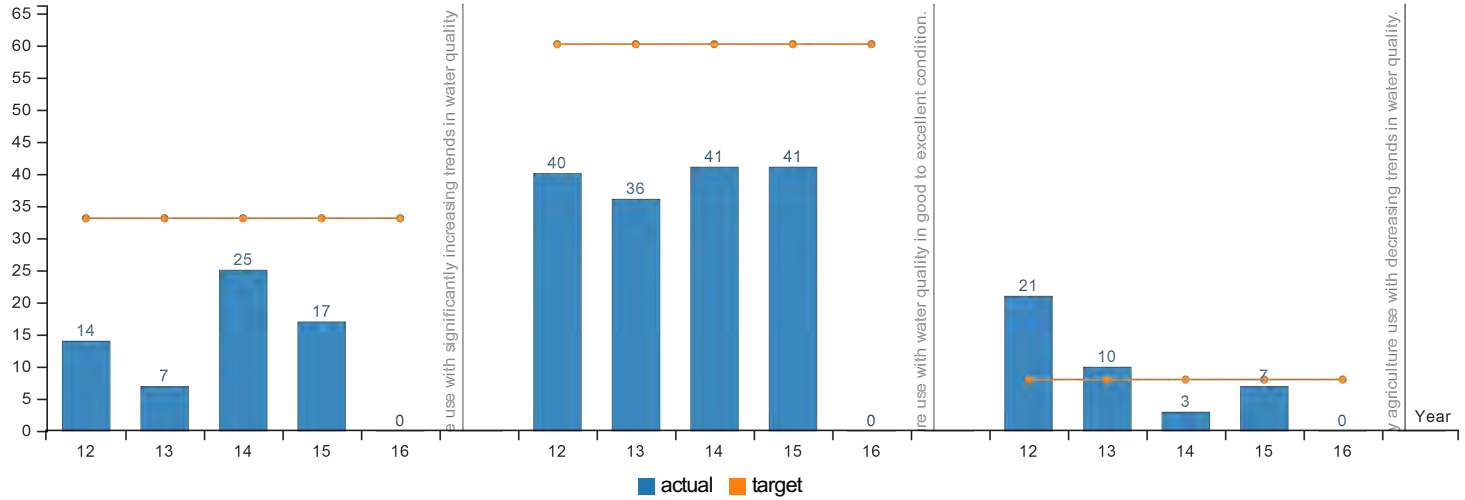
On Friday, September 16, 2016, 2016, 1,154 acres were field burned beginning at 11 a.m. Earlier in the morning before field burning began, two hours of moderate impacts were recorded in Salem. These elevated readings were attributed to a compost pile fire at Brown Island Demolition Landfill in Salem that started on September 14. Thus, these are not included in impacts due to field burining.

On Wednesday, September 14, 2016, 1,937 acres were field burned. In the early morning hours of September 15, one hour of heavy impacts and five hours of moderate impacts were recorded in Salem. These elevated readings were attributed to a compost pile fire at Brown Island Demolition Landfill in Salem that started the afternoon of September 14. Field burning was conducted uner the influence of westerly transport winds, making it unlikely that smoke from field burning blew and settled into the Salem area. Thus, these impacts are not included in impacts due to field burning.

Factors Affecting Results

In 2015 two new particulate matter “sampler" devices were added to the list of existing nephelometer sampler locations. At citizen request, these samplers were placed in Mill City and Detroit, Oregon and are located “up-canyon” above the existing Lyons nephelometer location. Consequently in many instances, smoke impacts registered at the Lyons sampler location, may be registered and documented redundantly at the Mill City and Detroit sampler locations.

KPM #12	Water Quality - Percent of monitored stream sites associated with predominantly agriculture use with significantly increasing trends in water quality.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2012	2013	2014	2015	2016
Percent of monitored stream sites associated with predominantly agriculture use with significantly increasing trends in water quality					
Actual	14%	7%	25%	17%	0%
Target	33%	33%	33%	33%	33%
Percent of monitored stream sites associated with predominantly agriculture use with water quality in good to excellent condition.					
Actual	40%	36%	41%	41%	0%
Target	60%	60%	60%	60%	60%
Percent of monitored stream sites associated with predominantly agriculture use with decreasing trends in water quality.					
Actual	21%	10%	3%	7%	0%
Target	8%	8%	8%	8%	8%

How Are We Doing

The Oregon Department of Agriculture (ODA) uses a combination of voluntary actions, educational efforts, and regulatory actions to encourage Oregon's agricultural producers to maintain and enhance water quality. This is accomplished through 38 basin plans created in response to legislation established in 1993. Partners include the agricultural community, soil and water conservation districts, USDA Natural Resources Conservation Service (NRCS), and Oregon State University (OSU) Extension Service.

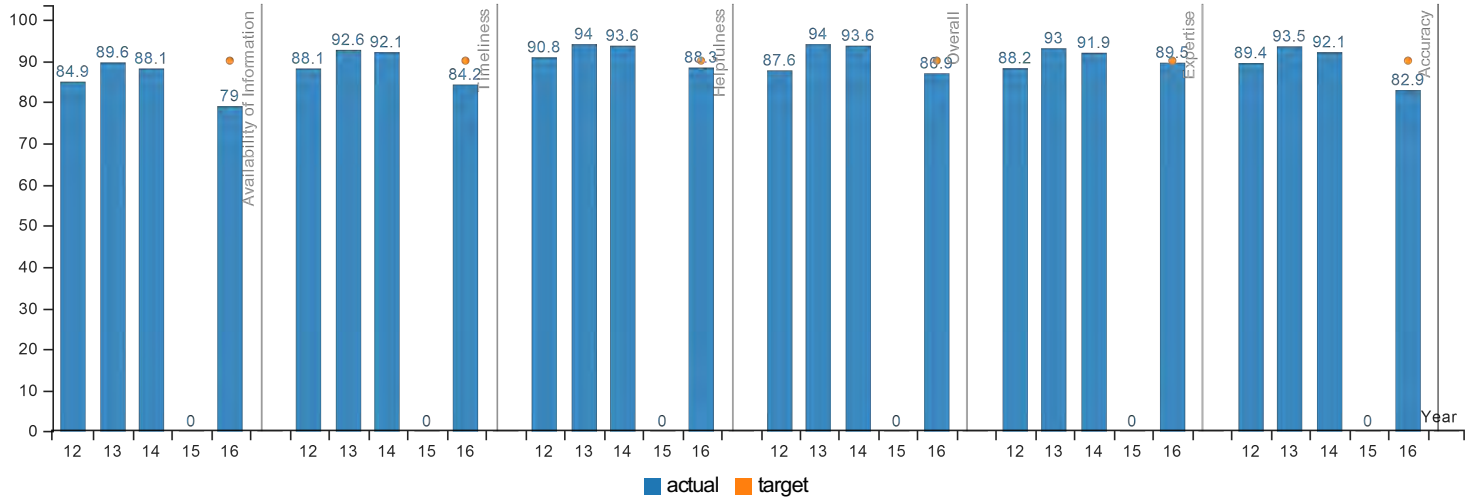
This measure was established in 2005 using the DEQ data pertinent to agriculturally dominated areas. Because of the amount of variability in this data, statistically significant trends have not been shown at his time. The water quality KPM numbers have been surprisingly consistent for the years 2013-15 given the drought in 2014 and variable weather patterns Oregon has been experiencing.

Factors Affecting Results

In 2010 the Oregon Department of Agriculture worked with the DEQ and the Oregon Department of Forestry (ODF) to re-evaluate land use descriptions identified for DEQ's ambient monitoring sites. As a result a modified and expanded suite of ambient sites representing sites influenced by agriculture were identified. Some of the original ambient sites were retained, but many were

dropped and new ones added. Because of this, results from 2010 forward will not be directly comparable to previous years. It should be noted that some of the ambient monitoring sites chosen to represent agriculture were also chosen by ODF to represent forestry influence. This is because some sites have combined agricultural-forestry usage. Also, not all the ambient sites designated as being 'agriculture' by DEQ were used in this analysis because ODA believes that some of the sites were unduly influenced by other land uses in addition to agriculture.

KPM #13	Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2012	2013	2014	2015	2016
Availability of Information					
Actual	84.90%	89.60%	88.10%	No Data	79%
Target	TBD	TBD	TBD	TBD	90%
Timeliness					
Actual	88.10%	92.60%	92.10%	No Data	84.20%
Target	TBD	TBD	TBD	TBD	90%
Helpfulness					
Actual	90.80%	94%	93.60%	No Data	88.30%
Target	TBD	TBD	TBD	TBD	90%
Overall					
Actual	87.60%	94%	93.60%	No Data	86.90%
Target	TBD	TBD	TBD	TBD	90%
Expertise					
Actual	88.20%	93%	91.90%	No Data	89.50%
Target	TBD	TBD	TBD	TBD	90%
Accuracy					
Actual	89.40%	93.50%	92.10%	No Data	82.90%
Target	TBD	TBD	TBD	TBD	90%

How Are We Doing

The Oregon Department of Agriculture (ODA) has a three-fold mission to provide food safety and consumer protection, protect the natural resource base, and market agricultural products. It is ODA's strategy to employ core values that guide the actions of employees as they carry out the mission of the agency in a way that provides customer satisfaction. The ODA conducts an annual customer survey on randomly selected customers having recent contact with the agency. The survey is conducted for three months and is performed during a different quarter each year.

Factors Affecting Results

One factor that could possibly affect survey results is the sampling time frame . Many ODA programs are cyclical and may be under or over represented at different time frames throughout the year. The ODA rotates the sampling time period in an attempt to include all types of agency customers. ODA will continue to provide quality customer service and will continue to conduct customer satisfaction surveys on an annual basis.

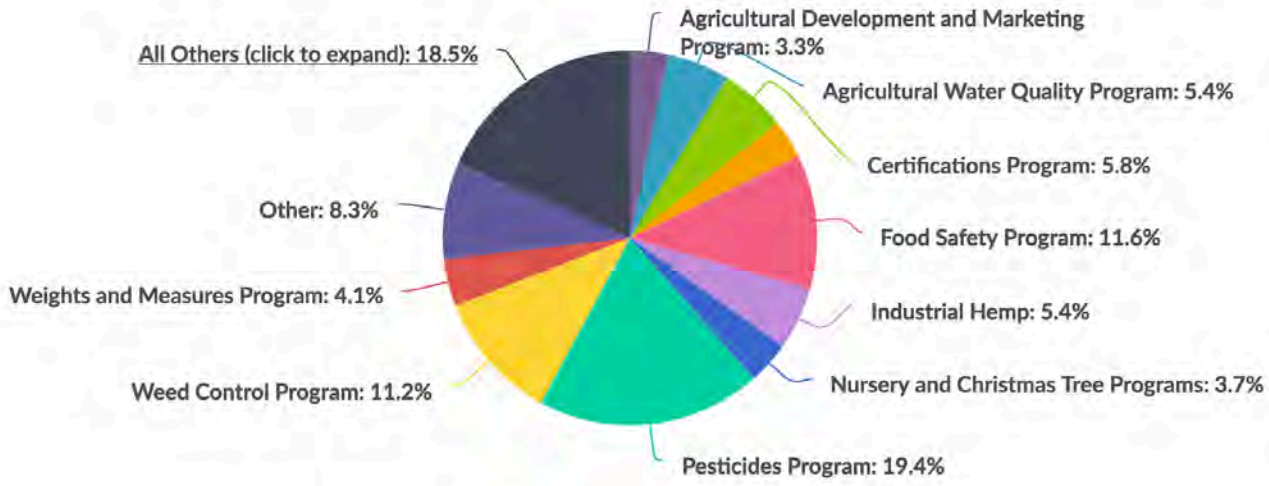
Oregon Department of Agriculture - Customer Service Survey Summary

January – March 2016
Distributed survey via email, postcard, email signature link, and Facebook

Received 243 responses

- Complier: (70) 28.9%
- Consumer: (95) 39.3%
- Constituent: (77) 31.8%

Programs with feedback



Overall agency ratings

Note: Percentages exclude "I don't know" responses from the total.

Overall Service Valid responses = 236, Excellent & good = 205 / 87%
Fair = 12, Poor = 19, I don't know = 6

Timeliness Valid responses = 234, Excellent & good = 197 / 84%
Fair = 21, Poor = 16, I don't know = 8

Accuracy Valid responses = 228, Excellent & good = 189 / 83%
Fair = 20, Poor = 19, I don't know = 14

Helpfulness Valid responses = 231, Excellent & good = 204 / 88%
Fair = 12, Poor = 15, I don't know = 12

Expertise Valid responses = 228, Excellent & good = 204 / 90%
Fair = 13, Poor = 11, I don't know = 14

Availability of info Valid responses = 233, Excellent & good = 184 / 79%
Fair = 30, Poor = 19, I don't know = 10

Excellent/good ratings by customer type

Customer type is self-categorized by survey respondent.

	Complier (70)	Constituent (77)	Consumer (95)
Overall service	80.9%	87.8%	90.3%
Timeliness	82.1%	82.4%	87.0%
Accuracy	80.0%	78.9%	87.9%
Helpfulness	83.6%	88.9%	91.2%
Expertise	83.3%	89.2%	94.3%
Info availability	77.6%	75.3%	82.6%

Comparison of past excellent/good ratings

Note: Percentages represent combined excellent and good ratings and exclude "I don't know" responses from the total.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2016
Total responses	598	397	433	410	453	249	391	202	127	243
Overall Service	91.9%	95.4%	96.0%	95.3%	96.4%	95.9%	87.6%	94.5%	93.6%	86.9%
Timeliness	92.8%	95.4%	96.0%	94.3%	95.0%	92.2%	88.1%	93.0%	93.6%	84.2%
Accuracy	93.5%	97.3%	96.6%	96.4%	95.6%	94.3%	89.4%	94.5%	92.0%	82.9%
Helpfulness	93.1%	95.0%	95.4%	96.6%	94.4%	95.6%	88.2%	94.9%	95.1%	88.3%
Expertise	93.4%	95.4%	95.1%	96.0%	95.3%	95.9%	88.2%	95.4%	94.9%	89.5%
Information Availability	88.4%	92.9%	92.2%	93.7%	92.5%	89.3%	84.9%	91.4%	92.5%	79.0%

OREGON DEPARTMENT OF AGRICULTURE
Strategic Plan Process Summary
February 2017

PURPOSE

The Oregon Department of Agriculture (ODA) began its strategic planning in late 2015. The work for this plan is ongoing to ensure it is thoroughness. ODA has not had a department-wide plan for many years and with the agricultural and food sector becoming more diverse in terms of its needs, department leadership believed a more "cross cutting" approach between programs could enhance service delivery and reduce costs.

The strategic plan will focus on specific results that are to be accomplished and establish strategies for achieving those outcomes.

STRATEGIC PLANNING APPROACH

The plan is organized around key objectives. Key objectives are supported by key measures of success ("*How will we know if we are doing this right?")*. These measures will gauge the degree of accomplishment realized toward the key objectives. As much as possible, key measures are both outcome-specific and quantifiable.

To score well on the key measures of success for each key objective, a list of action items has been developed (*"What do we plan to dover over the next three years to realize this objective").* These action items will be helpful as the department sets priorities and focus.

The approach to developing the strategic plan is, thus far, as follows:

1. State Board of Agriculture engagment
2. Employee / leadership team focus groups
3. Executive / manger planning session
4. Cross-functional team workshop
5. Lobby groups focus group
6. Executive team workshop
7. Plan analysis and draft writing
8. Executive team draft plans
9. Discussions with Board, industry, partner agencies and staff
10. Final edits by the Executive team and adoption (*Estimated completion 2017*).

Draft Key Objectives

Key Objective 1: *Operate as role model organization*
Key Objective 2: *Operate in a culture of compliance and support*
Key Objective 3: *Embrace a culture of collaboration*
Key Objective 4: *Foster employee excellence*
Key Objective 5: *Strive for clear, concise, and inclusive communication*
Key Objective 6: *Support the diversity of Oregon agriculture*

Feedback

Input gathered includes but is not limited to:

- Outreach to public
- Establish a good quality control program to assess what we do / achievements
- Customer service
- Teams / collaborative teamwork
- Training: improving skills, knowledge, and abilities
- Technology
- Efficiency / effectiveness
- Employee benefits
- Public perception
- Customer perspective
- Employee perspective
- Operational perspective
- Financial perspective

ODA hopes to complete the strategic plan in 2017.

Oregon
Department
of Agriculture
635 Capitol St. NE
Salem, OR 97301-2532

Oregon Department of Agriculture

2017-19 Governor's Budget

	2015-17 Legislatively Approved Budget	2017-19 Current Service Level	2017-19 Governor's Budget
General Fund	$ 24,613,559	$ 25,777,408	$ 23,401,064
Lottery Fund	6,491,591	7,072,247	7,042,307
Other Funds	62,478,730	65,835,111	68,706,936
Federal Funds	17,630,167	15,958,792	18,250,782
Total Funds	111,214,047	114,643,558	117,401,089
Positions	527	523	538
Full-Time Equivalent (FTE)	378.84	375.94	391.08

2017-19 Significant Changes

Phase-outs

- One-time General Fund monies for wolf depredation compensation and financial assistance grant program as well as one-time General Fund appropriated for the Bee Incident Reporting System were phased-out of the Administration Program.
- One-time General Fund appropriated for additional bay water sampling in the Shellfish Program and one-time capital outlay Other Funds limitation for the Weights & Measures Program were phased-out of the Food Safety/Consumer Protection Program Area.
- One-time General Fund appropriated for support of the Invasive Species Council and one time General Fund and Federal Funds in the Insect Pest Prevention & Management Program for Gypsy Moth eradication were phased-out of the Natural Resources Program Area.

Phase-ins

- Positions and related services and supplies were phased-in in the Natural Resources Program Area for a full biennium for Ag Water Quality and Pesticides programs.

Revenue Shortfalls

- 070 - Reductions were made in the Nursery Program to bring expenditures in alignment with available Other Funds Revenue. Companion package 370 requests to restore reductions and ratify an administrative fee increase.

Pkg 090 Analyst Adjustments

Package 090 includes a number of reductions that reduced General Fund $2,305,178, which includes a shift of $1,145,635 to Other Funds and $372,000 to Federal Funds.

- Predator Control removal of all General Fund - $464,200
- Pesticide Analytical Response Center one-time fund shift to Other Funds - $356,685
- Weed program removal of a biocontrol position - $250,759
- CAFO fund shift to Other Funds - $250,000
- Ag Development one-time fund shift to Federal Funds - $200,000
- IPPM one-time fund shift to Federal Funds - $172,000
- Food Safety one-time fund shift to Other Funds - $538,950
- Administration unspecified reduction - $72,584
- M76 Lottery Fund revenue was reduced to match current service level expenditures.

Pkg 091 Statewide Adjustment to DAS Charges

Package 091 represents changes to State Government Service Charges and DAS price list charges. It reduces $95,963 General Fund, $29,847 Lottery Funds, $271,151 Other Funds, and $76,601 Federal Funds for a total reduction of $473,562.

Pkg 092 Statewide AG Adjustment

Package 092 adjusts Attorney General rates from the published price list of $198/hour to $185/hour. It reduces $1,707 General Fund, $93 Lottery Funds, $19,868 Other Funds, and $217 Federal Funds for a total reduction of $21,885.

Policy Packages – Recommended

- **210 – Food Safety Inspectors** $470,034 OF: Requests Other Funds and two positions to allow the Food Safety Program to achieve its desired inspection frequency with a focus on retail operations.
- **250 – FSMA Outreach, Education & Capacity Building** $1,400,000 FF: Enables ODA to implement grant funding from USDA to focus on produce safety rules associated with the Food Safety Modernization Act (FSMA).
- **260 – District Veterinarian Position Clean-Up**: Requests to combine two half-time positions into one full-time position.
- **270 – Continue Manufactured Food Positions** $596,808 FF: Requests to continue Federal Funds limitation and limited duration positions for ongoing work for the cooperative agreement with FDA for MFRPS.
- **280 – Avian Influenza Limited Duration Position**: Requests to continue limited duration avian health coordinator.
- **290 – Metrology Lab Equipment Replacements** $90,000 OF: Requests Other Funds limitation to replace antiquated equipment and eventually establish a lifecycle replacement plan.
- **285 – Weights and Measures Inspectors** $457,065 OF: Requests limitation and two positions due to increased demands in workload.
- **360 – Plant Program Position Modifications:** Requests to establish three Limited Duration positions using existing limitation to more accurately reflect how program resources are being utilized.
- **370 – Nursery Fee Ratification**: Requests to ratify an administrative fee increase and restore reductions made in Pkg 070.
- **440 – Shipping Point Position Modifications**: Requests to change select positions to seasonal part-time.
- **450 – Commodity Commission Oversight Program Limitation Increase** $75,000 OF: There is no change in fee rates but additional Other Funds limitation is needed to facilitate program activities.

Policy Packages – Recommended as Modified

- **120 – Human Resource Staffing:** Requested $455,737 General Fund and two positions. One position for training of internal staff, which was identified in the agency strategic plan. The other position was for existing day-to-day workload demands of the Human Resources office. Modified to fund one Training and Development Specialist position $263,675 Other Funds.
- **140 – Information Technology Investments:** Requested $577,207 General Fund and three positions to provide for greater efficiency in IT investments. ODA's current team is sized for maintenance and support activities, but is not sufficient to support program needs for systems development. Modified to fund one ISS7 position with $222,769 Other Funds.
- **220 – Lab Infrastructure Investments:** Requested $803,301 General Fund and a half-time administrative position to support the regulatory lab to carry out core analytical functions. Additionally requested funding for equipment in both the regulatory and plant labs. Modified to $272,000 in Plant Health and $200,000 in Lab Services Programs with one-time Other Funds.

Policy Package – Correction Requested (Requesting to pull package following Governor's Budget)

- **295 – Small Scale Fee Increase**: Establishes a new fee to recover the cost of testing a higher precision scale type.

Agriculture

2017 - 2019 Biennium

Detail of Reductions to 2017-19 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Priority (ranked with highest priority first)		**Agency**	**SCR or Activity Initials**	**Program Unit/Activity Description**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**Impact of Reduction on Services and Outcomes**
Dept	**Prgm/ Div**													
First 5% Reduction - General Fund														
1	*	ODA	Food Safety/ Consumer Protection Policy Area	Predator Control/This program is a cooperative activity with USDA Wildlife Services and Oregon counties. It functions to reduce losses to agricultural producers by predatory animals.	(464,200)						(464,200)	-	-	Reduces pass through money. Elimination in General Fund budget for the USDA Wildlife Services Predator Control Program will result in significant cutbacks in county funding for predator control activities at the local level. A decline in predator control activities will result in significant loss from predation in livestock herds and flocks in areas of diminished control efforts.
2	*	ODA	Natural Resource Policy Area	Pesticides Analytical Response Center/Provides an unbiased review of alleged pesticides poisonings in Oregon.	(356,685)		356,685				-	-	-	One-time fund shift to Other Funds. Eliminates General Fund support for program. Places a larger burden on fee revenue to support the program.
3	*	ODA	Natural Resource Policy Area	Confined Animal Feeding Operations/CAFO program provides a mechanism to improve and assure Oregon's water quality, and ensure compliance with federal regulations.	(250,000)		250,000				-	-	-	Fund shift to Other Funds. Will require legislation to increase CAFO license fees.
4	*	ODA	Market Access Policy Area	Ag Development and Marketing/These activities support the department's mission to promote economic development in the agricultural industry. The program finds solutions and provides marketing opportunities for Oregon's food and agricultural industry both domestically and internationally.	(200,000)				200,000		-	-	-	One-time fund shift a position from General Fund to Federal Funds for work related to the Food Safety Modernization Act (FSMA). Reduces ability to provide continuity of service for domestic and local market development. Number of trade development activities annually would be reduced.
				First reduction subtotal	(1,270,885)	-	606,685	-	200,000	-	(464,200)	-	-	
				Target	(1,288,871)									
				Difference	(17,986)									
Second 5% Reduction - General Fund														
5	*	ODA	Natural Resource Policy Area	Insect Pest Prevention and Management/This program includes exclusion, detection and eradication of harmful plant pests such as gypsy moth and Japanese beetle.	(172,000)				172,000		-	-	-	One-time fund shift of an IPPM Entomologist from General Fund to Federal Funds. This assumes that the program will receive sufficient Federal Funds to support the position.
6	*	ODA	Food Safety/ Consumer Protection Policy Area	Food Safety Program/The Food Safety Inspection Program licenses, inspects, and tests all facets of the food distribution system, except restaurants, totaling nearly 8,500 establishments. Also, assists in education of food companies and the public about food quality and safety concerns.	(538,950)		538,950				-	-	-	One-time fund shift from General Fund to Other Funds. Places a larger burden on fee revenue to support the program.
7	*	ODA	Natural Resource Policy Area	Noxious Weed Control/This program's function is to protect Oregon's natural resources and agricultural economy from invasive noxious weeds through integrated control efforts. This includes early detection rapid response, biological control and providing technical assistance and grants to local land managers.	(250,759)						(250,759)	(1)	(1.00)	Eliminates General Fund for the weed biocontrol position. Elimination of this position will end the program's biological control projects and jeopardize biocontrol management of many noxious weeds in Oregon.
8		ODA	Market Access Policy Area	Ag Development and Marketing/These activities support the department's mission to promote economic development in the agricultural industry. The program finds solutions and provides marketing opportunities for Oregon's food and agricultural industry.	(75,000)						(75,000)	-	(0.41)	Eliminate a portion of an Administrative Specialist 1 position that provides Ag Development administrative support. Reduces Services & Supplies.
9		ODA	Food Safety/ Consumer Protection Policy Area	Animal Health/The Animal Health Program's primary activity is to prevent, control and eradicate livestock diseases harmful to humans and animals.	(150,000)		150,000				-	-	-	Fund shift from General Fund to Other Funds. Would require raising the Veterinary Products fee thru rulemaking.
10		ODA	Food Safety/ Consumer Protection Policy Area	Food Safety Program/The Food Safety Inspection Program licenses, inspects, and tests all facets of the food distribution system, except restaurants, totaling nearly 8,500 establishments. Also, assists in education of food companies and the public about food quality and safety concerns.	(102,161)		102,161				-	-	-	Additional one-time fund shift from General Fund to Other Funds. Places a larger burden on fee revenue to support the program.
				Second reduction subtotal	(1,288,870)	-	791,111	-	172,000	-	(325,759)	(1)	(1.41)	
				Target	(1,288,870)									
				Difference	-									
Third 5% Reduction - General Fund														
11		ODA	Food Safety/ Consumer Protection Policy Area	Food Safety Program/The Food Safety Inspection Program licenses, inspects, and tests all facets of the food distribution system, except restaurants, totaling nearly 8,500 establishments. Also, assists in education of food companies and the public about food quality and safety concerns.	(121,367)		121,367				-	-	-	Additional one-time fund shift from General Fund to Other Funds. Places a larger burden on fee revenue to support the program.

Priority (ranked with highest priority first)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes
12		ODA	Food Safety/ Consumer Protection Policy Area	Regulatory and ESC Lab/This laboratory provides analytical testing services for the department's food safety, pesticide enforcement, natural resource and fertilizer programs ensuring high standards of food safety and product integrity. The Export Service Center (ESC) enhances the department's marketing efforts by providing exporter certification of food and other import requirements for key foreign markets.	(350,000)		350,000				-	-	-	One-time fund shift from General Fund to Other Funds. May require legislation to introduce a revenue transfer from OLCC.
13		ODA	Natural Resource Policy Area	Pesticide Stewardship Partnership/Identifies potential concerns and improves water quality affected by pesticide use around Oregon.	(137,933)		(137,933)				(275,866)	-	-	Reduces General Fund and Other Funds available for technical assistance. NOTES: (1) Program must maintain a 50:50 match with Other Funds, if General Fund is reduced Other Funds should be reduced in a matching amount. (2) Intent of reduction is not to reduce Special Payments to DEQ. A rebalance of budget accounts may have to occur to accommodate this reduction option.
14		ODA	Food Safety/ Consumer Protection Policy Area	Animal Health/The Animal Health Program's primary activity is to prevent, control and eradicate livestock diseases harmful to humans and animals.	(150,000)		150,000				-	-	-	Fund shift from General Fund to Other Funds. Would require raising the Veterinary Products fee to the maximum fee cap thru rulemaking.
15		ODA	Market Access Policy Area	Ag Development and Marketing/These activities support the department's mission to promote economic development in the agricultural industry. The program finds solutions and provides marketing opportunities for Oregon's food and agricultural industry.	(224,972)						(224,972)	(1)	(1.00)	One-time reduction of an Operations and Policy Analyst 3 and associated Services & Supplies. Reduces ability to provide continuity of service for domestic and local market development. Number of trade development activities annually would be reduced.
16		ODA	Natural Resource Policy Area	Confined Animal Feeding Operations/CAFO program provides a mechanism to improve and assure Oregon's water quality, and ensure compliance with federal regulations.	(250,000)		250,000				-	-	-	Fund shift to Other Funds. Will require legislation to increase CAFO license fees.
17	*	ODA	Admin and Support Services	Administration/This program unit provides administrative support services to department programs including leadership, policy development, interagency coordination, collaboration with agricultural industries, information systems, accounting, payroll, budgeting, procurement, human resources, public affairs, and staff support for Board of Agriculture. Administration also includes Cannabis Policy Coordinator.	(72,584)		72,584				-	-	-	One-time fund shift to Other Funds. Places a larger burden on agency Other Funded programs. NOTE: Governor's Budget included as a reduction.
				Third reduction subtotal	(1,306,856)	-	806,018	-	-	-	(500,838)	(1)	(1.00)	
				Target	(1,288,870)									
				Difference	17,986									
				Grand total all reductions	**(3,866,611)**	**-**	**2,203,814**	**-**	**372,000**	**-**	**(1,290,797)**	**(2)**	**(2.41)**	

**** Included in Governor's Budget***

General Fund Target	**(3,866,611)**
Difference	**-**

Agriculture

2017 - 2019 Biennium

Detail of Reductions to 2017-19 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Priority (ranked with highest priority first)		**Agency**	**SCR or Activity Initials**	**Program Unit/Activity Description**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**Impact of Reduction on Services and Outcomes**
Dept	**Prgm/ Div**													
First 5% Reduction - Lottery Funds														
1		ODA	Natural Resource Policy Area	Noxious Weed Control/This program's function is to protect Oregon's natural resources and agricultural economy from invasive noxious weeds through integrated control efforts. This includes early detection rapid response, biological control and providing technical assistance and grants to local land managers.		(250,000)					(250,000)	(1)	(1.00)	Eliminates a Noxious Weed Specialist (Natural Resource Specialist 3) and associated Services and Supplies. This will jeopardize the program's EDRR (early detection rapid response) approach to new invasive noxious weeds in the north-west region of Oregon.
2		ODA	Natural Resource Policy Area	Agriculture Water Quality/Ag Water Quality program provides a mechanism to improve and assure Oregon's water quality.		(43,613)					(43,613)	-	-	Reduction to Services & Supplies. Reduces ability to implement program activities such as compliance actions and technical assistance to landowners.
3		ODA	Natural Resource Policy Area	Agriculture Water Quality/Ag Water Quality program provides a mechanism to improve and assure Oregon's water quality.		(60,000)					(60,000)	-	-	Additional reduction to Services & Supplies for riparian long-term evaluation program. Reduces ability to evaluate water quality program effectiveness.
				First reduction subtotal	-	(353,613)	-	-	-	-	(353,613)	(1)	(1.00)	
				Target		(353,613)								
				Difference		-								
Second 5% Reduction - Lottery Funds														
4		ODA	Natural Resource Policy Area	Soil and Water Conservation Districts/This activity provides for utilization of Oregon's 45 Soil and Water Conservation Districts to provide technical assistance to landowners and land managers to implement conservation measures and watershed enhancement projects and support of Oregon's Agricultural Water Quality management program, the Oregon Plan for salmon and watersheds.		(117,145)					(117,145)	-	-	Reduction to services & supplies. Reduces assistance to Soil and Water Conservation Districts and program operation.
5		ODA	Natural Resource Policy Area	Insect Pest Prevention and Management/This program includes exclusion, detection and eradication of harmful plant pests such as gypsy moth and Japanese beetle.		(236,467)					(236,467)	(4)	(1.88)	Eliminate four IPPM Laborer positions. Elimination of these seasonal survey technicians will significantly impact the program in its response to invasive pest invasion and management. Reduced numbers of survey techs has directly lead to increased eradication costs of invasive pests. Reduce Services & Supplies; reduction will jeopardize the program's ability to fund important invasive species surveys.
				Second reduction subtotal	-	(353,612)	-	-	-	-	(353,612)	(4)	(1.88)	
				Target		(353,612)								
				Difference		-								
Third 5% Reduction - Lottery Funds														
6		ODA	Natural Resource Policy Area	Agriculture Water Quality/Ag Water Quality program provides a mechanism to improve and assure Oregon's water quality.		(228,174)					(228,174)	(1)	(1.00)	Eliminate one water quality Natural Resource Specialist 3 and associated Services & Supplies. Reduces ability to implement Oregon's Agricultural Water Quality Program. Reduces resources to investigate complaints and compliance issues. Reduces programs ability to assist landowners and agency natural resource partners.
7		ODA	Natural Resource Policy Area	Insect Pest Prevention and Management/This program includes exclusion, detection and eradication of harmful plant pests such as gypsy moth and Japanese beetle.		(125,438)					(125,438)	(2)	(0.84)	Eliminate two additional IPPM Laborer positions. Elimination of these seasonal survey technicians will significantly impact the program in its response to invasive pest invasion and management. Reduced numbers of survey techs has directly lead to increased eradication costs of invasive pests. Reduce Services & Supplies; reduction will jeopardize the program's ability to fund important invasive species surveys.
				Third reduction subtotal	-	(353,612)	-	-	-	-	(353,612)	(3)	(1.84)	
				Target		(353,612)								
				Difference		-								
				Grand total all reductions	**-**	**(1,060,837)**	**-**	**-**	**-**	**-**	**(1,060,837)**	**(8)**	**(4.72)**	

**** Included in Governor's Budget***

Lottery Funds Target **(1,060,837)**

Difference **-**

Oregon Department of Agriculture

Summary of long-term vacancies

Quarter ending December 2016

Reason	Policy Area	Function	Total positions	FTE
Vacancies open for 7-11 months				
Seasonal job / Dependent upon industry demand	Market Access & Certification	Laborer	2	1.00
Filled or in the process of being filled	Food Safety/Consumer Protection, Natural Resources, & Market Access & Certification	Lab Tech 2, Exec Manger B, and Natural Resource Spec 3	3	3.00
Vacancies open 12 months or more				
Filled or in the process of being filled	Market Access & Natural Resources	Natural Resource Spec 1,2, 3, & 4; Policy Analyst 3; and Brand Inspector	6	5.13
No available funds to finance the position	Market Access & Natural Resources	Natural Resource Spec 2 & 3; and Admin Spec 1	3	2.50
Seasonal job / Dependent upon industry demand	Market Access & Natural Resources	Ag Workers, Laborer, Field Burning Tech, Exec Mgr C and Shipping Point Asst Manager	63	15.01
Position used to finance unbudgeted costs or other positions, including double-fills, contracts and temps	Food Safety/Consumer Protection and Market Access & Certification	Natural Resource Spec 1 & 3; Admin Spec 1; Chemist 2; District Veternarian	5	3.00
Other / Dependent upon workload	Food Safety/Consumer Protection and Market Access & Certification	Office Asst 1, Brand Inspector, Shipping Point Insp 2, Biological Technician	8	4.06

APPENDICES

Secretary of State Audit Report

Jeanne P. Atkins, Secretary of State

Mary Wenger, Interim Director, Audits Division

Oregon Department of Agriculture: Improved Management Practices, Use of Resources Could Help Food Safety Program Achieve its Mission

Executive Summary

The Oregon Department of Agriculture's (ODA) Food Safety Program is struggling with a backlog of establishments needing inspection. This backlog was caused by an increase in the number of licensed businesses and complexity of business practices, and an inspection staff busy with other duties. By implementing stronger management practices, making better use of data, and more strategically deploying its resources, the program can reduce its backlog of inspections, better achieve its mission of preventing the spread of foodborne illness, and prepare for more regulatory challenges in the near future.

The Food Safety Program has an inspection backlog

According to ODA, a backlogged firm is one that is three or more months late for an inspection. We found that, as of October 2016, 2,841 firms were late for an inspection.

Inspectors have not kept up with this workload in part because the number of licensed businesses has been steadily increasing for the last 10 years. There are now more than 12,000 licensees needing regular inspection by the Food Safety Program.

Inspectors are also spending significant amounts of time on duties that are not related to inspections, such as attending training courses in specialized license types or answering customer questions on the phone. Management has established goals for how much time inspectors should be spending on inspection-related tasks, but it is not clear these goals are being met.

Federal grants, contracts take time away from inspections

Many firms in Oregon are subject to inspection not only by ODA, but also by the federal Food and Drug Administration, or FDA. The Food Safety Program has a contract with FDA to conduct some of these inspections in exchange for reimbursement. Currently, ODA conducts 500 contract

inspections each year, one of the highest contract workloads in the country. These inspections take significantly longer than a routine ODA inspection.

ODA's Food Safety Program was one of the first in the country to enroll in the federal Manufactured Food Regulatory Program Standards, or MFRPS. Through MFRPS, the program has developed policies and procedures related to enforcement actions, responding to food-related illness, and training. This work has taken time away from conducting food safety inspections and was one of the factors contributing to the backlog.

Staff turnover is a challenge

Since 2006, 28 inspectors have either left the agency or retired. Retiring inspectors often take decades of expertise and experience with them. Hiring and training new staff to replace them is time-intensive. And there is no formal succession plan to prepare for their departure.

Turnover has been especially challenging for the program's two field operations managers, who are responsible for supervising inspectors. ODA has struggled to keep people in these two positions.

The program uses a tool from FDA that allows food safety regulatory programs to calculate the number of inspectors required to manage the workload. But we found the Food Safety Program was incorrectly using this tool and may not have an accurate estimate of its own staffing needs.

The program needs more management oversight

More oversight of food safety inspectors is needed to ensure the quality and consistency of inspections. Field operations managers only review the inspection reports of new inspectors while they are trained. Although field operations managers are expected to supervise inspectors in the field, this is not happening because managers are busy with office work.

Management could offer more guidance to help inspectors be more consistent in their interactions with licensees. Currently, inspectors are inconsistent in how they issue enforcement actions and how much time they spend explaining the rules and regulations to food establishments.

The program is also at risk of overlooking some businesses that are operating without a license. Currently, ODA relies on new businesses to contact them to obtain a license. But for businesses that may not, there is no formal policy or procedure to proactively identify them.

The program could benefit from better use of data

We found the Food Safety Program is missing several opportunities to use data to help make decisions.

Although management can access the program's Be Food Safe database to see how many firms are overdue for an inspection, they have not been consistently tracking and storing these data. Keeping track of these

numbers could be helpful in identifying patterns and strategies to reduce the backlog.

Some data are not being kept in the most efficient form for analysis. Inspectors fill out daily paper reports of how they spend their hours, but management does not analyze these. By keeping these data in a digital format that can be easily accessed, and regularly analyzing them, management could identify how staff spend their time and look for opportunities for improvement.

We also found that the program could benefit from a designated data analysis position. Managers say they do not have time to collect and analyze data because of their other responsibilities. By having someone whose role is primarily data analysis, the program could benefit from this data without compromising these other duties.

Recommendations

To work toward the goal of reducing the backlog of inspections, we recommend ODA reconsider some of its workload, provide more guidance to inspectors, and better track and analyze data to inform these decisions. To help the program better achieve its mission, we recommend ODA develop policies and procedures to improve oversight of inspectors and develop partnerships with other agencies. And to address some of the staffing challenges, we recommend the program use data to analyze its staffing needs and develop a succession plan for retiring inspectors. Our specific recommendations can be found on Page 22 of the report.

Agency Response

The agency generally agrees with our findings and recommendations. The full agency response can be found at the end of the report.

Background

A farmer stands in his field in the early days of Oregon agriculture.

Photo by Oregon Department of Agriculture

Agriculture has existed in Oregon for as long as it has been a state. Early boards and commissions reflected the range of activities falling under the umbrella of Oregon agriculture; from pest and disease prevention to commodity inspection to animal and livestock regulation.

In 1931, the legislature moved to gather 13 separate boards, bureaus, and commissions and unite them as a single State Department of Agriculture. This agency is now known as the Oregon Department of Agriculture (ODA).

Since then, agriculture in Oregon has grown, as have the agency's responsibilities. Those responsibilities include regulating the use of pesticides; protecting Oregon from plant pests and diseases; inspecting commodity crops; helping producers sell and ship products domestically and overseas; and inspecting almost all facets of the food distribution system for health and safety.

These wide-ranging duties are encompassed by three policy areas of the agency's mission:

- to ensure food safety and provide consumer protection;
- protect the natural resource base for present and future generations of farmers and ranchers; and
- promote economic development and expand market opportunities for Oregon agricultural products.

Of all these, the agency's highest priority is the Food Safety Program.

Roles and responsibilities of the Food Safety Program

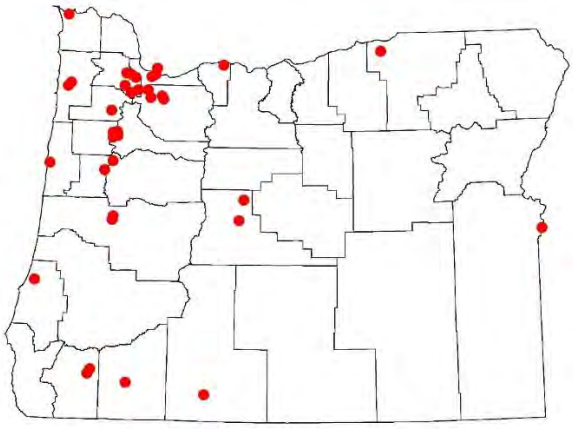
Even before there was a State Department of Agriculture, there were food safety inspectors. In the early 1900s, the Dairy and Food Commission sent inspectors out in a Model T, spending weeks driving across the state to visit farms that needed to be checked.

Today's Food Safety Program employs 38 ins7pectors, spread throughout the state (see figure 1). These inspectors are supervised by two field operations managers, who are in turn led by two program managers and the program director.

The program is responsible for licensing and regulating more than 12,000 food production, processing and distribution establishments throughout the state, including grocery stores, bakeries, processors and manufacturers, as well as regulating Oregon's dairy and shellfish industries.

The program's inspection staff conduct routine food safety inspections. Seven of these inspectors are specialists, who provide expertise for inspections of certain specialized license types, such as dairy, shellfish or manufactured foods.

Figure 1: Food safety inspectors are located throughout Oregon



ODA works in tandem with the Oregon Health Authority, whose county health departments are responsible for inspecting restaurants and other food service establishments.

During a retail food safety inspection, inspectors refer to the Food Code to ensure that food is being handled and sold safely. The United States Food and Drug Administration (FDA) issues an updated model Food Code every several years, which states can either adopt entirely or use to create their own version. Oregon has adopted almost all of the 2009 Food Code, with some minor changes to reflect the state's unique agriculture landscape.

Inspectors describe the Food Code as prescriptive. For instance, it requires that potentially hazardous food be maintained at a minimum of 130°F for hot foods, and a maximum of 41°F for cold foods. It also specifies how to keep food preparation areas clean; how to properly store and label potentially hazardous food; and how to maintain entrances to prevent pest access, among other things.

The Food Code applies only to retail licensees such as grocery and convenience stores. Other licensees, such as manufacturers and processors, are regulated by other federal codes that are more complicated, but ensure that food is being processed and created to avoid contamination and maintain public health.

All food safety licensees are inspected in regular intervals, although how frequently varies by the license type, the level of risk at each facility, and record of compliance. A low-risk retail firm, such as a convenience store, may only be inspected once every three years. But a high-risk retail establishment, such as a large grocery store that prepares food on-site, is inspected annually.

In 2014, the Food Safety Program launched its own application for inspectors to electronically fill out reports in the field, known as Be Food Safe. The application stores some data, such as the dates when an establishment is inspected and the number of licenses assigned to each

inspector. Inspectors told us this new system is preferable to the former method of filling out paper reports and helps complete inspections faster.

Program revenue includes federal contracts and grants

For the 2015-17 biennium, ODA was operating with a $105.8 million budget, $10.9 million of which was earmarked for the Food Safety Program. The bulk of the program's budget lies in Other Funds, which includes license fees and reimbursement for inspections conducted under a contract with FDA.

A food safety inspector checks the temperature of product.

Photo by Oregon Department of Agriculture

Food establishments that sell or receive products across state lines are required to be inspected not only by ODA, but by FDA. To streamline this process, FDA contracts with states to conduct some of these inspections. Forty-three states, including Oregon, are currently under contract.

States meet individually with FDA to negotiate the number of contract inspections they do each year. Oregon currently conducts 500 FDA contract inspections annually — one of the highest workloads in the country.

As part of that negotiation, ODA calculates the cost to the agency for conducting an individual FDA contract inspection. FDA then reimburses the agency for those costs at the contract year's end.

Participation in these FDA contract inspections means states are eligible to enroll in the Manufactured Food Regulatory Program Standards, otherwise known as MFRPS. MFRPS includes guidelines for developing 10 standards, the goal of which is to help states implement quality regulatory programs that are consistent nationwide.

For 2015-16, ODA received a grant of $300,000 to help with the implementation of MFRPS and offset the cost to the program of developing the standards.

In addition to the FDA contract reimbursement and the MFRPS grant, the Food Safety Program earns revenue from license fees. The amounts that ODA charges for its licenses varies by both the type of license and, in most cases, the gross annual sales reported by the firm. These annual fees range from as little as $108 to as much as $1,624.

ODA has statutory authority to raise license fees by no more than 3 percent annually. The program has not increased its license fees since 2009.

Audit Results

The Food Safety Program faces challenges to achieving its mission

Freshly-caught shrimp await processing.

Photo by Oregon Department of Agriculture

The mission of ODA's Food Safety Program is to help prevent the spread of foodborne illness. Program staff accomplish this mission through monitoring Oregon's food industry, enforcing sanitation laws, inspecting food establishments, and working to ensure food is not contaminated, mislabeled, misrepresented, or changed in any way that impairs its safety.

We identified a number of issues that challenge the program's ability to fully achieve its mission.

- Inspectors are struggling to inspect food establishments as frequently as they should.
- Federal grants and contracts, while beneficial, are taking up valuable time and resources.
- The program has faced significant staff turnover.
- Stronger oversight is needed by program management.
- The program is not fully taking advantage of data to strategically deploy its staff.

The stakes are high. The safety of the food system impacts every Oregonian. ODA plays a crucial role in ensuring not only the health and safety of the public, but the strength of Oregon's billion-dollar agriculture economy.

Not addressing these challenges could increase the risk to both public safety and the agriculture economy

Foodborne illness is common. The Centers for Disease Control and Prevention estimate that 48 million people — one in six — gets sick from a foodborne illness each year. The bacteria most often responsible, including Listeria monocytogenes, Salmonella, and Escherichia coli, are present at all stages of the food system.

Infection by these bacteria can have serious or even deadly consequences. Each year, an estimated 128,000 people are hospitalized for a foodborne illness; another 3,000 people die. And pinpointing the cause of an outbreak is notoriously difficult: not all illnesses are reported; symptoms may take days to appear; and people may struggle to remember everything they ate.

Adhering to food safety regulations is crucial to minimize the risk of contamination. It's up to food safety inspectors to make sure those regulations are followed.

Failure to comply with regulations increases the risk of foodborne illness

In the course of doing a food safety inspection, inspectors are looking for violations to the retail Food Code or other applicable regulations. Some of these violations may not be obvious to the average consumer, while others are more readily apparent.

In June 2015, two food safety inspectors made a visit to a grocery store in Portland to conduct a routine inspection.

They found hundreds of rodent droppings scattered throughout the store, from the beverage station in the front to the dry food storage area in the back. Seven dead mice were still locked in snap traps. The creatures had apparently found their way in through gaps around plumbing fixtures, between walls and floors and under doors.

Inspectors issued a notice of closure and condemnation to the firm for the affected areas. But rather than improve, the problem spread to other parts of the store.

During a later visit, the inspectors found thousands of insects on glue traps and dead insects visible inside wrapped packages of lettuce. This time, the rodents spotted were alive; one stuck to a glue trap behind the bread display, another running near the front of the store. Inspectors issued a notice of closure and condemnation to the entire store until the problem could be resolved.

Not all violations are so obvious. An employee may be failing to properly sanitize a food preparation area. Food may be held at an improper temperature, allowing bacteria to grow. A product may contain an allergen, like peanuts or soy, without declaring it on the label.

When food safety inspectors regularly visit these establishments, they can catch and help correct these violations, or even run tests to identify the presence of harmful bacteria, before someone becomes ill.

During an inspection of a Portland-based meat processor in March 2014, one food safety inspector took routine samples of the product. Those samples confirmed the presence of Listeria monocytogenes, prompting the firm to voluntarily recall the contaminated product. No illnesses were reported in connection with the incident.

A risk of unsafe food can also affect the reputation of a business

Several inspectors told us they see their job as protecting not only consumers, but businesses as well. A firm that garners a reputation as unsafe, unclean, or not in compliance with food safety regulations risks losing customers.

In October 2015, 13 people in Oregon and 27 in Washington were sickened in an outbreak of E. coli that was later determined to have originated with the restaurant chain Chipotle Mexican Grill.

The business suffered. In the three months after the outbreak, profits were down 44% compared to the year before. Its stock dropped by 37%.

Although restaurants like Chipotle are not inspected by ODA, businesses that ODA does inspect could be similarly affected by an outbreak of foodborne illness.

When inspectors are able to conduct inspections on a regular basis, these risks are mitigated. But challenges facing the program have resulted in inspectors scrambling to complete their workload and some firms going without an inspection for years.

Inspectors are behind on inspections

ODA's Food Safety Program uses a risk matrix to determine how frequently licensed firms should be inspected. High-risk firms, such as large grocery stores or producers of acidified foods, are to be inspected at least once a year. Medium-risk firms should be inspected at least once every two years, and low-risk firms once every three.

But inspectors have not been meeting these frequencies.

According to ODA, a backlogged firm is one that is three months late for an inspection. We found that, as of October 2016, 2,841 firms were overdue for an inspection.

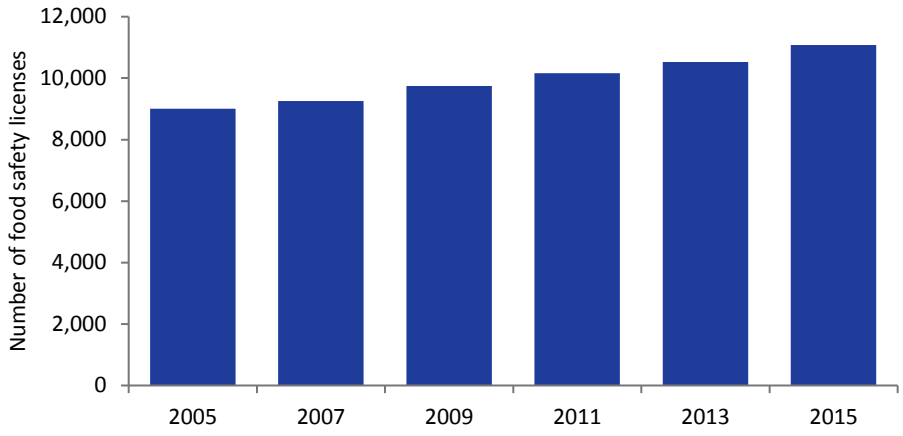
ODA does not know how long this backlog of inspections has existed. Agency staff are able to access their Be Food Safe database and determine how many firms are past due at that moment. But the program has not been keeping track of these data and is unable to say how many firms were past due a year ago or five years ago.

The number of licensees and demand for inspections has increased

According to inspectors, keeping up with the workload is increasingly difficult as the number of food establishments in the state grows.

In 2005, the Food Safety Program licensed 9,000 firms in the state of Oregon. By 2015, that number had increased to 11,000 firms. Now, the number of licensed firms in the state is more than 12,000.

Figure 2: The number of licenses has increased in the last 10 years



Note: License counts are from December of each year.

Meanwhile, staffing levels have changed very little. There are currently 38 food safety inspectors responsible for inspecting all 12,000 licenses. Staffing levels have fluctuated in recent years, but by a relatively small amount, give or take two or three positions.

Inspectors also told us that not only has the number of licensees increased, but business practices are more complex, increasing the amount of time needed for individual inspections. For example, more grocery stores are now participating in high-risk food preparation activities, such as sushi.

Management has not made it a practice to regularly track how long inspections take, so we were unable to independently verify if inspection times are, in fact, increasing.

Inspectors are spending time on non-inspection duties

The job of a food safety inspector goes beyond conducting inspections. Tasks and duties vary from inspector to inspector, depending on their own expertise, background, and job classification.

An ODA inspector gathers shellfish samples.

Photo by Oregon Department of Agriculture

In addition to inspecting food establishments, inspectors investigate consumer complaints, perform facility plan reviews, examine packaging and labels, gather samples for routine testing, offer consultation for new businesses, and are available to answer questions from business owners.

Inspectors involved with the dairy and shellfish programs have additional duties, which range from sampling water at the Oregon coast to evaluating highly technical pasteurization and processing equipment. Other tasks may include coordinating recalls, attending training, auditing FDA contract inspection reports, and testing the program's Be Food Safe app.

Management's goal is that most inspectors spend about 63% of their total working hours conducting inspections. Specialists are expected to spend 50% of their total hours on inspections.

However, it is not clear these goals are being met. Inspectors fill out daily reports accounting for their work hours, but management is not using this information to analyze how inspectors spend their time. Some inspectors told us they spend very little time conducting inspections because they are too busy with other duties and projects, including Be Food Safe and MFRPS.

Inspectors cannot keep up with the license inspection demand

In interviews, many inspectors said they were simply unable to complete all their work and assignments in the time they were given.

Many inspectors said they needed to prioritize their work. For some inspection types, such as dairy or FDA contract inspections, there are consequences if an inspection is missed or completed late. Dairy inspections must be completed in order for Oregon's dairy farmers to ship out of state; FDA contract inspections must be completed on time for the program to receive reimbursement.

As a result, other inspection types — primarily retail — are given a lower priority or simply not done. Several inspectors told us that the inability to keep up with the work was stressful, distressing, and difficult.

Management has set goals to reduce the number of licenses that are overdue for an inspection. By the end of 2016, they hope to eliminate the backlog of high-risk firms that haven't been visited in two years. But they told us "It took years to get to this point, and it will take years to dig ourselves back out."

The program started to fall behind around 2009 or 2010 — right around the time the Food Safety Program implemented MFRPS.

Federal grants and contracts are beneficial, but come at a cost

Ten standards of MFRPS

Standard 1: Regulatory Foundation
Standard 2: Training Program
Standard 3: Inspection Program
Standard 4: Inspection Audit Program
Standard 5: Food-related Illness and Outbreaks and Response
Standard 6: Compliance and Enforcement Program
Standard 7: Industry and Community Relations
Standard 8: Program Resources
Standard 9: Program Assessment
Standard 10: Laboratory Services

MFRPS has been beneficial in developing policies, procedures

Oregon was one of the first states to enroll in FDA's Manufactured Food Regulatory Program Standards, or MFRPS, in 2007.

Since then, the Food Safety Program has invested considerable time and energy in developing the 10 standards. Several food safety inspectors have taken time away from their usual duties to accomplish this. To help offset the cost of staff time, FDA offers a grant of up to $300,000 each year with enrollment in MFRPS.

Management told us that while MFRPS has taken away from time spent on inspections, the investment has been worth it. MFRPS helped the program organize, develop, and document policies and procedures related to enforcement actions, responding to food-related illness, and training. For example, the risk matrix that determines how frequently licenses should be inspected was developed through MFRPS.

With the standards now developed, it is unclear what impact MFRPS will have on the program's workload in the future. But by scaling back the amount of time spent on MFRPS, staff could spend more time on inspections and working to reduce the backlog.

But MFRPS isn't the only thing taking time away from inspections. There is a requirement that states must meet before they can be awarded the MFRPS grant — they must maintain an FDA inspection contract.

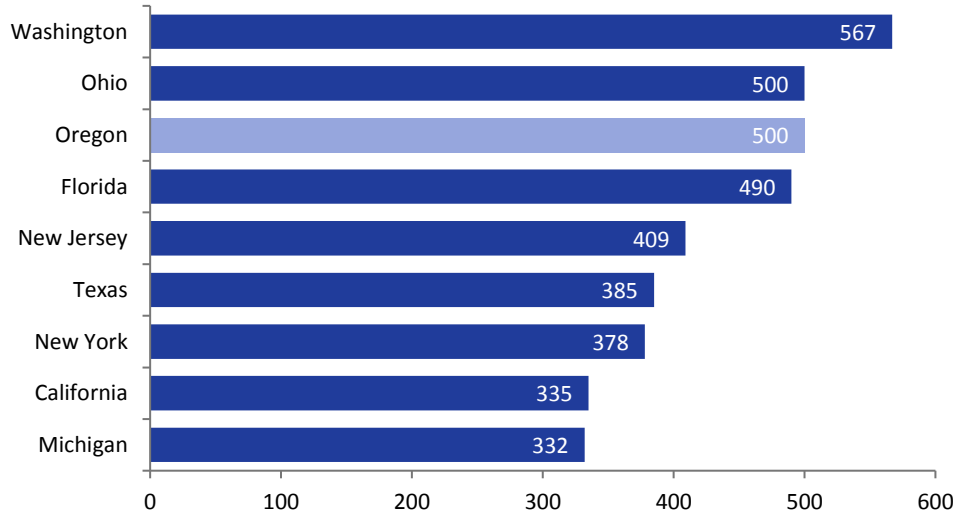
FDA contract inspections are time-consuming

Forty-three states have a contract with FDA to conduct inspections in some food manufacturing and processing firms, but Oregon has agreed to take on a much higher number than almost every state.

During contract years 2015 and 2016, ODA agreed to conduct 500 inspections on behalf of FDA. This is tied with Ohio for the 2nd highest number of contract inspections nationwide, surpassed only by Washington. As recently as 2010, the program had agreed to conduct 750 contract inspections.

Contract inspections can vary by state. For example, Alaska conducts fewer contract inspections than Oregon, but many of them are complex and may take longer.

Figure 3: Oregon is tied for the 2nd highest number of FDA contract inspections



Note: All numbers are from the 2015-16 contract year

Representatives from ODA and FDA meet annually to negotiate the number of firms to inspect, which firms to inspect, and the unit price per inspection. The unit price is the cost ODA estimates for a single contract inspection accounting for the hourly wage of the inspector, how long the average contract inspection takes, the average travel time, and other factors.

FDA also requires ODA to conduct desk audits of the inspection reports and send inspectors out in the field to audit each other. This additional cost for time spent auditing is included in the negotiation.

Once all of the contract inspections are completed, FDA reimburses the Food Safety Program for these costs. For fiscal year 2015-16, ODA estimated the total cost to the program to be $676,941.65.

These FDA contract inspections take significantly longer than routine inspections. In addition to the routine inspection work, contract inspection reports must include a detailed questionnaire and documentation about the firm's operations. Reports are reviewed by other staff, who then submit them directly to FDA.

Some inspectors estimated FDA contract inspections take four to six hours longer than a routine inspection, much of that due to writing the report. Particularly complex facilities can take as long as 12 hours to complete a contract inspection.

Participating in the FDA contract, regardless of the number of inspections completed, offers a number of benefits for state food safety programs. It allows them to enroll in MFRPS. It offers access to training on how to inspect specialty license types, such as acidified foods or low-acid canned foods. It also provides the opportunity for states to get funding to seek accreditation for their laboratory.

But the high number of these time-intensive inspections may be prohibiting ODA from completing some of its own routine inspections. If the Food Safety Program were to reduce the number of contract inspections by 100, we estimate they would gain back 700 inspection hours that could be used to reduce the backlog.

The program could do a better job of addressing its staffing challenges

In February 2014, representatives from the Northwest Grocery Association approached the Legislature to ask their approval for three limited duration inspector positions to be hired by the Food Safety Program.

The Legislature granted the request. ODA began recruiting for three limited duration positions in December 2014, to add to the existing team of 35 food safety inspectors. In the upcoming legislative session, ODA plans to request that two of those positions be made permanent.

Management told us they believe this strategy to reduce the backlog appears to be working. However, since the Food Safety Program does not track the extent of the backlog over time, it is unclear how much of an effect these extra positions are having.

In interviews with inspectors, almost everyone told us the one thing that could help with the backlog would be to add more staff. They think the Food Safety Program is understaffed, given the number of licenses and other duties they are responsible for and due to staffing challenges the Food Safety Program has recently faced.

The program has experienced significant turnover

Since 2006, 28 inspectors have either left the agency or retired.

Retiring inspectors are a challenge for the program. Inspectors who retire after decades of service take the accompanying knowledge and expertise with them. And there is no formal succession plan for the agency as a whole, let alone the Food Safety Program, to prepare for their departure.

In recent months, some staff have agreed to stay on part-time to help train and prepare their successors. But these efforts have been initiated by staff themselves; this does not occur on a regular basis.

An inspector conducts an inspection of a processing plant.

Photo by Oregon Department of Agriculture

Hiring and training new inspectors is a time-intensive process. New inspectors undergo rigorous training that lasts weeks before they begin conducting inspections. This process involves much of the food safety staff, who take time away from their own duties to help with training.

Turnover has been especially challenging for the program's two field operations manager positions, which are responsible for supervising food safety inspectors. In the course of conducting our audit, one manager retired and the other has been in the position less than two years. One candidate who moved up to fill the vacant position decided against it. As of the writing of this audit, the slot remained vacant.

Several inspectors told us this turnover was due to compensation and workload. In fact, specialists have the potential to earn higher salaries than field operations managers. Staff described the field operations manager roles as more time-intensive and more stressful. Several staff told us that specialist positions are preferable to supervisory roles.

Staffing needs are being incorrectly calculated

FDA offers a tool for state regulatory programs to estimate their staffing needs based on factors like the number of licenses, how frequently licenses are being re-inspected, and how long inspections take.

Using this tool, the Food Safety Program determined they needed 49.4 full time equivalent (FTE) inspectors.

But we found the program was incorrectly using the tool and over-estimating the number of inspectors needed to be fully staffed.

The Food Safety Program was incorrectly using the following factors in their calculations:

- The re-inspection frequency — the percentage of total firms requiring a follow-up inspection — was based on the figure FDA uses in the example of how to use the tool instead of the program's actual rate.
- The average inspection times were incorrect. Again, the program was using figures provided by FDA as an example. Program data showed these inspections, on average, took fewer hours than the examples provided.
- When the Food Safety Program did their calculations, they accounted for hours inspectors were spending on duties like MFRPS and sampling. While they also accounted for FDA contract inspections, they incorrectly calculated the number of hours spent on these inspections. When we re-calculated the staffing needs of the program, we used the agency's own data instead of the example figures provided by FDA. Our calculations resulted in an FTE total that was significantly less than the 49.4 FTE the Food Safety Program calculated using the tool.

It is important to note the staffing tool cannot account for every task required of inspectors among different states' regulatory programs. The tool is intended to give programs a starting point to estimate their own staffing needs. To get the most accurate estimates, management should be using their own data, instead of relying on FDA's example figures.

There are opportunities for improvement in program management practices

Wine as it is being processed and bottled.

Photo by Oregon Department of Agriculture

In addition to the field operations managers, the Food Safety Program is managed by two program managers and one director.

Agency leadership and staff all praised the work managers have done to maintain a positive atmosphere in the Food Safety Program. Inspectors said managers were receptive to their concerns and contributed to their satisfaction with working for ODA.

Management has already taken steps to address some of the challenges we have outlined in this report. For instance, management had begun to take a closer look at the available data for the backlog before this audit began. They also assigned some inspectors to conduct retail-only inspections in parts of the state where retail firms were most overdue.

But we also identified several areas in which management could improve.

Stronger management oversight is needed

The program's 38 inspectors are spread throughout the state, where they work out of their homes to see that businesses from Portland to Ontario are inspected in a timely fashion. In some instances, inspectors work together — when training or being audited for FDA contract inspections, for instance. But most of the time, inspectors work unsupervised.

Each inspection results in a report, which is saved in the program's Be Food Safe database and also emailed to the business owner. We reviewed a sample of reports to determine how much information they contain about the quality of inspections.

We found that the reports did not contain enough information to determine the quality of the inspection. We also accompanied some inspectors out in the field to observe them as they conducted routine food safety inspections. Based on our observations and review of reports, it appears that direct supervision and observation is the more effective way to evaluate the quality of a food safety inspection.

The job of the field operations managers is to supervise these inspectors and ensure inspections are being completed thoroughly and consistently.

Previously field operations managers would review a random sample of inspections reports. According to management, they did away with this practice due to time constraints after one of the field operations managers retired.

Now field operations managers only review the reports of newly-hired inspectors who are still being trained. After a period of time, field operations managers stop reviewing these reports.

Field operations managers also said they are not spending time observing staff in the field. They may occasionally accompany an inspector at his or her request. Inspectors will sometimes reach out to one another for assistance with inspections. But direct supervision of inspections is not happening on a regular or consistent basis.

Some inspectors said they wished they could spend more time working directly with their field operations managers. Other inspectors mentioned this makes performance evaluations more difficult.

Field operations managers, meanwhile, said they are unable to spend time in the field because duties in the office keep them at their desks, whether they are answering questions or working on special projects.

Some inspections are audited. FDA requires that some contract inspections undergo an auditing process, which includes reviewing the report as well as observing the inspection. FDA also recently informed ODA it should be conducting audits for all of its manufacturing inspections, not just the ones being performed under contract.

But no similar procedure exists to audit the other license types the Food Safety Program is responsible for inspecting, such as retail.

Management should reassess staff training needs

Before inspecting a specialty license type, an inspector must: attend training courses, often held by FDA; conduct practice trainings in the company of another inspector; and be approved for that particular license.

New inspectors start with retail inspections before moving on to manufactured foods, processors and increasingly specialized license types, such as low-acid canned foods, shellfish, dairy and more.

All food safety inspectors are required to be Registered Environmental Health Specialists with the Oregon Health Licensing Office. To maintain that license, inspectors must earn a minimum of 20 continuing education credit hours every two years; this is often accomplished by attending the all-staff conferences held by the Food Safety Program.

All that training adds up. And while training is a crucial component for maintaining skilled and qualified staff, inspectors appear to be spending a significant portion of time on training, which takes away from time spent on inspections.

In interviews with inspectors, agency management, and food safety programs in other states, we identified two possible approaches to training.

One is described as a jack-of-all-trades approach; inspectors may receive training in all license types. In a state as geographically diverse as Oregon, this strategy can be useful in that all inspectors are equally qualified to inspect all of the license types in their area, reducing the need for travel. However, inspectors may spend weeks training for a license type they will infrequently encounter.

The other is one where inspectors are more specialized. This is a useful strategy for complex and evolving industries, such as manufactured and processed foods. It may also reduce the total amount of time inspectors spend on training and free them up for inspections. But it adds a challenge in that specialized inspectors may be required to travel extensively to visit the one or two firms across the state that they are qualified to inspect.

Management currently has a blend of these two approaches, but has not identified a clear strategy of how to best train inspectors to meet the needs of their assigned areas. As a result, it is unclear if the current amount of training inspectors receive is necessary. To more efficiently use inspectors' time, management could be more strategic in determining which inspectors should be trained in which license types.

More guidance could help address inconsistency among inspectors

Many inspectors we interviewed said that consistency varies when it comes to things such as issuing enforcement actions or spending time to explain regulations.

For example, some inspectors may issue an enforcement action, such as a sanitation warning, even if the business owner resolves the issue on the spot. Other inspectors may choose not to issue the warning if they see the violation is corrected.

One benefit of consistently and uniformly issuing enforcement actions is to have reliable data the program can use to identify repeat offenders of food

safety laws and regulations. This allows the program to escalate its enforcement action to more serious consequences, all the way up to suspending a firm's license. If inspectors are inconsistently issuing enforcement actions, the program loses these valuable data points.

Inspectors also spend a significant portion of time educating business owners to help them understand and comply with food safety regulations. In addition to educating during inspections, staff spend time consulting with firms before issuing licenses, or reviewing plans for a business to make sure they account for safety regulations.

The Food Safety Program takes these duties seriously. The agency has documented in enforcement policies and procedures that being helpful, rather than punitive, is the best strategy to achieve compliance.

But the amount of time inspectors spend assisting varies widely from person to person. In some instances, this can mean the difference between a food safety inspection that lasts a couple of hours and one that lasts all day.

It is not clear that a strict policy on these issues would be beneficial to the program's goal of compliance. But management could offer guidance — on both enforcement actions and the time spent on helping — to achieve greater consistency among all inspectors.

The program risks overlooking some new food businesses

It is the responsibility of ODA to regulate the production, processing, and distribution of food products. Licensing businesses that participate in these industries is a key step in the regulatory process.

But when it comes to obtaining a license, it is left up to the business to contact ODA and initiate the licensing process.

Sometimes, these people are unaware they need to be licensed through ODA. And they may be licensed by more than one entity — cities or other agencies, such as the Oregon Liquor Control Commission. Or, the firm may simply avoid obtaining a license.

The Food Safety Program does not have a policy or procedure to proactively identify businesses needing a license. Without it, the program risks failing to properly license and regulate these food establishments.

Not only do these firms risk noncompliance with food safety regulations, but the program risks missing out on potential license fee revenue.

Determining the best way to find these businesses is difficult. In interviews with food safety programs in other states, none had identified a best practice to accomplish this. Instead, their inspectors often find unlicensed businesses the same way as Oregon inspectors — they stumble upon them.

We observed one inspector in the course of his daily routine when he saw what appeared to be a gas station food mart preparing to open. The

business had not yet obtained a license from ODA. The inspector stopped briefly to inform them of the requirements and left his contact information.

Some inspectors have established relationships with other licensing entities, such as cities and counties, to share information about new businesses. The Food Safety Program could benefit from adopting a policy to formalize this process program-wide, rather than relying on inspectors to develop these individual relationships.

The program could use data to better address its challenges

For some time now, the Food Safety Program has been aware of the backlog in the food safety inspections. They have taken some steps to address it, including hiring some limited duration inspector positions, reducing the number of FDA contract inspections between 2010 and 2015, partnering with other ODA programs, and prioritizing some inspections based on risk.

While these actions are commendable, we identified several ways the Food Safety Program can do more to resolve existing issues and prevent future ones. Many of these strategies are based in using data to help make informed decisions.

An inspector uses the iPad and Be Food Safe in the course of an inspection.

Photo by Oregon Department of Agriculture

There are data the Food Safety Program could be collecting

In October 2016, at the request of the audit team, the Food Safety Program tallied the number of firms that were overdue for an inspection. They counted 2,841 firms that were at least three months late for an inspection.

For any moment in time, management can access Be Food Safe and conduct a similar count. But these figures are not stored anywhere and not tracked over time, so there is no way to determine the extent of the backlog in 2015, 2014 or any time before.

Management should routinely collect these data. Examining these numbers over time might point to a pattern in the inspection backlog, or make clear where the backlog is at its worst. It can help management identify strategies to reduce the backlog and where to best deploy their resources.

Some data are not kept in most efficient form for analysis

Each day, inspectors fill out a paper report documenting the hours they spent on inspecting, training, or responding to consumer complaints. These daily reports, referred to by staff as “dailies,” are kept by the Food Safety Program for the duration of the public records retention period. However, they are not analyzed.

There is an opportunity for program management to make a regular practice of entering daily reports into a database for the purpose of analyzing them. Management could better identify areas where inspectors could improve the number of hours they spend on inspections, which could

contribute to reducing the backlog and ensure the program is most efficiently using its staff and their time.

Management also told us they are planning to participate in a pilot project, along with the Oregon Department of Transportation, called TAMS: Time and Attendance Management System. This system would help the program track inspectors' work hours in a digital format, eliminating the step of transferring hours from dailies into a database and avoiding the risk of data entry errors.

According to agency leadership, TAMS is still at least a year away from full implementation. ODA could benefit from adopting a time-keeping system sooner, rather than later, that allows them to analyze inspector hours.

The program could benefit from a designated position for data analysis

The Food Safety Program does not have any staff person whose primary task is to analyze the data available to the program, including the Be Food Safe database. Management, including field operations managers, do not regularly analyze this data because of their other duties.

Be Food Safe was developed by ODA's Food Safety Program in conjunction with the agency's in-house information technology department. One inspector played a large role in developing the program; to this day, she continues to be heavily involved in troubleshooting and adding improvements to the app.

Other inspectors told us it was helpful to have a fellow inspector involved in developing Be Food Safe because she was someone who understood in a practical sense what the application needed to accomplish.

The trade-off for the Food Safety Program of having an inspector be involved in the app's development was one less inspector conducting inspections. That inspector told us that she very rarely conducts inspections anymore because so much of her time for the last two years has been invested in Be Food Safe.

Identifying someone whose role is primarily data analysis could help staff focus on their duties, while also taking advantage of the benefits data analysis can provide.

Additional regulations on the horizon will only add to existing challenges

In January 2011, President Obama signed into law the Food Safety Modernization Act, or FSMA. The goal of the act is to ensure the safety of the country's food supply by shifting the focus from responding to contamination to a focus on preventing it. It was the most sweeping reform of our federal food safety laws in more than 70 years.

Since its enactment, FDA has been developing seven foundational rules to implement FSMA. The last versions of these rules were issued this year. FSMA will have a direct impact on states, as they are expected to adopt and enforce these rules.

This was also the year that saw the beginning of the legal sale and use of recreational cannabis, including edibles such as brownies and candy. Those businesses that produce and distribute edibles will be subject to ODA regulation much in the same way other food production and distribution firms are.

Cannabis-infused candy is on display in a store.

Photo by Oregon Department of Agriculture

Both the implementation of FSMA and the sale of cannabis edibles will have a significant impact on ODA and the Food Safety Program's workload. With FSMA, inspectors will have new and different regulations to use when conducting food safety inspections. Some of FSMA now covers parts of the industry not previously regulated by ODA.

As a result, ODA anticipates an increase in the number of firms it will license and inspect. Which agency programs this will affect is yet to be determined.

In September, FDA announced it would be awarding $21.8 million in grant money to help 42 states implement FSMA's produce safety rule. Oregon's share was $3.5 million, to be spread out over a five-year period.

With the Food Safety Program already facing a backlog in inspections, these looming responsibilities pose even more challenges. The best way ODA can prepare for the additional work is to implement better management practices and other strategies we've outlined before these changes arrive.

Recommendations

To work toward the goal of reducing the backlog of food establishments overdue for an inspection, we recommend ODA:

- Develop a process to track the backlog of food safety inspections that are overdue for an inspection.
- Develop a process to track and analyze data on how inspectors are spending their work hours and identify ways inspectors can better meet established goals on how much time to spend on inspection duties.
- Consider providing guidelines on how much time inspectors should spend assisting and educating businesses on food safety regulations.
- Consider doing fewer FDA contract inspections to more easily balance this workload with the program's other duties.
- Consider designating a position for data analysis, rather than relying on inspection staff or management.

To achieve the program's mission of helping prevent the spread of foodborne illness by monitoring the food industry, we recommend ODA:

- Develop, where feasible, partnerships with cities, counties and other agencies, such as the Oregon Liquor Control Commission, to share information about businesses needing inspection and licensing.
- Develop or adjust existing policies and procedures so that field operations managers review a sample of inspection reports from all staff, not just new hires.
- Identify methods that will allow field operations managers to spend more time in the field supervising inspectors.
- Consider developing policies and procedures to audit non-FDA inspections.

To address many of the challenges in staffing facing the Food Safety Program, we recommend ODA:

- Use the agency's own data and the FDA staffing tool to better estimate the program's staffing needs.
- Develop a formal succession plan to prepare for retirements among inspectors.
- Consider reassessing the program structure, classifications and compensations to more fairly reflect the expectations of specialists and field operations managers.

Objectives, Scope and Methodology

Our audit objective was to determine strategies that the Oregon Department of Agriculture could use to improve its Food Safety Program.

To address our audit objective, we interviewed staff with the Food Safety Program, including food safety inspectors, field operations managers, program managers and the program director. We also interviewed the agency's leadership team, including the director, deputy director and assistant director. Interviews addressed current practices.

We spoke to individuals with knowledge of ODA's budget, members of the Oregon Board of Agriculture, and ODA stakeholders, including representatives of Oregon State University, the Oregon Farm Bureau, Friends of Family Farmers and Oregon Aglink. We spoke to representatives from the Legislative Fiscal Office, Food and Drug Administration and state Departments of Agriculture in California, Florida, New York, Washington and Wisconsin.

We reviewed laws and rules related to ODA's Food Safety Program. We reviewed training documents, program policies and procedures, relevant grant and contract documentation, and audits of other food safety programs. We accompanied several food safety inspectors on inspections of businesses to observe how food safety inspections are conducted.

We obtained and analyzed data on the number of licenses ODA issues. Specifically, we wanted to determine how ODA's inspection workload has changed over time. License data is entered directly into their system by inspectors, thereby eliminating paper documentation to compare against. Therefore, we were unable to test the reliability of this data.

We attempted to obtain and analyze data to demonstrate the inspection backlog over time. However, the agency is not tracking these data. We also attempted to analyze how inspectors were spending their daily hours. These data are kept in paper form and are not easily analyzed. We asked management to input this data into digital form so the audit team could analyze it, but found the resulting data to be unreliable and therefore did not use it to draw any conclusions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained and reported provides a reasonable basis to achieve our audit objective.

Auditors from our office, who were not involved with the audit, reviewed our report for accuracy, checking facts and conclusions against our supporting evidence.

Oregon
Kate Brown, Governor

Department of Agriculture
635 Capitol St NE
Salem, OR 97301-2532

Mary Wenger, Director
Oregon Audits Division
255 Capital Street NE, Suite 500
Salem, OR 97310

RE: Improved management practices, use of resources could help Food Safety Program achieve its mission

Dear Ms. Wenger,

Thank you for the opportunity to respond to the Secretary of State's Performance Audit for the Oregon Department of Agriculture (ODA) Food Safety Program.

We are pleased that the audit team chose to focus its review on the ODA Food Safety Program. The program has a relatively new management team, and the managers appreciated the opportunity for an outside assessment of program. We believe the recommendations in the report will help the managers better track how the program is spending its time, address the backlog of inspections, and ultimately manage the program more efficiently.

ODA generally agrees with the recommendations included in the report. The report notes some opportunities to free up inspector time to conduct more routine inspections, and recommends better use of data that the program is already collecting. ODA is fortunate to have a new database with broad reporting and analysis capabilities, and looks forward to fully using these tools to guide the program's performance.

In addition to implementing the recommendations in the report, we have also identified activities such as Machinery and Equipment tax exemption certifications that we plan to transfer to other ODA programs, because these activities are not central to our program's mission of public health protection.

ODA is addressing the specific recommendations in the report in the ways described below.

To work toward the goal of reducing the backlog of food establishments overdue for an inspection, the report recommends that ODA:

- **Develop a process to track the backlog of food safety inspections that are overdue for an inspection.**

The program has already begun to address this recommendation by setting goals to address the backlog and by generating monthly reports from the database to track how we are doing in progressing toward those goals. On a monthly basis, the program will start to evaluate the reports and respond to the backlog in retail, food processing, and high-risk inspections. We plan to continue generating these reports on a monthly basis using a consistent methodology, as well as generating monthly reports of the total inspection backlog across all license types. We will work to develop a

way to track the backlog in a central tracking system and review our data regularly for trends, so that we can shift resources accordingly. As discussed during the audit, firms are evaluated based on risk and those with the highest-risk activities will be prioritized as we work through the backlog.

- **Develop a process to track and analyze data on how inspectors are spending their work hours and identify ways inspectors can better meet established goals on how much time to spend on inspection duties.**

As the report noted, ODA is pursuing a system together with ODOT and DEQ that will allow for web-based reporting and accounting of daily activities. Currently, these reports are completed on paper. To track inspector time between now and the time the web-based system becomes operational, we plan to have inspectors enter their time in simple electronic spreadsheets or a database so they may be submitted, reviewed and electronically tabulated.

- **Consider providing guidelines on how much time inspectors should spend assisting and educating businesses on food safety regulations.**

The program will develop operational guidelines describing what is considered "compliance assistance and education" versus "inspection" time, since these activities are often conducted together on the same visit, and provide guidelines on how much time inspectors should spend on assistance and education. In addition, ODA believes that better tracking of how inspectors spend their time will assist us in better characterizing the range of staff time spent on education and other consultation activities.

We believe that assistance and education are key tools to help licensed firms achieve and maintain compliance, and that given the variability in licensed firms, varying amounts of time may need to be invested. However, we also recognize that it is ultimately the firm's responsibility to comply and that it will be helpful to our staff to provide some parameters describing the assistance that we can and cannot provide to licensees.

- **Consider doing fewer FDA contract inspections to more easily balance this workload with the program's other duties.**

While we believe that conducting FDA contract inspections offers benefits to our Oregon regulated firms and to the program, including access to FDA-funded, specialized FDA training courses and improved quality of all types of inspections we perform, we agree that contract inspections are more time-consuming and result in less retail inspections being completed. Our current contract year expires at the end of July 2017, and we will work with FDA to explore opportunities to further reduce the number of contract inspections going forward.

- **Consider designating a position for data analysis, rather than relying on inspection staff or management.**

Because data analysis responsibilities may reduce time available to conduct inspections, we will explore alternative staffing options to handle data analysis. We plan to seek assistance from other programs in ODA to identify the data elements that we should be tracking, set a tracking frequency, begin generating regular reports with this information, and adjust and allocate resources based on the additional data.

To achieve the program's mission of helping prevent the spread of foodborne illness by monitoring the food industry, we recommend ODA:

- **Develop, where feasible, partnerships with cities, counties and other agencies, such as the Oregon Liquor Control Commission, to share information about businesses needing inspection and licensing.**

The report makes this recommendation because county, city, and other agency staff sometimes interact with businesses that need an ODA Food Safety license, but have not yet obtained one. For example, a local government may issue a plumbing permit to a new convenience store, or OLCC may license a new distillery. The audit correctly notes that while we have relationships with many counties and individual inspectors at OLCC to share information about businesses such as these, we do not have a formal plan or structure.

We believe that our current work with OLCC to license and inspect cannabis edible firms will help us also develop a closer working relationship with OLCC related to firms that produce and sell alcoholic beverages, and identify a plan/structure to share this information. We will also work with our partners at Oregon Health Authority, county health departments, and other related agencies such as plumbing inspection agencies to establish a process to better identify businesses needing inspection and licensing.

- **Develop or adjust existing policies and procedures so that field operations managers review a sample of inspection reports from all staff, not just new hires.**

The current field operations manager vacancy limits our ability to implement this recommendation immediately; however, we will work to incorporate this recommendation into our policies and procedures, and into position descriptions of field operations managers and lead workers. We are currently recruiting for the vacant field operations manager position and hope to hire the new manager soon.

- **Identify methods that will allow field operations managers to spend more time in the field supervising inspectors.**

One of our key strategies to accomplish this recommendation will be to discontinue our participation in the Manufactured Food Regulatory Program Standards (MFRPS) project after our current cooperative agreement with the FDA expires July 31, 2017. The report notes that MFRPS has been valuable to the program in establishing policies, procedures, and training, but it has also consumed a significant amount of staff and manager time.

We will assess the benefits of leaving the MFRPS program and calculate the potential time saved for our field operations managers to spend more time with staff. It is likely that additional strategies, such as bringing on a third field operations manager, may be needed in the long term, but this is dependent on the ability of ODA to receive approval for new positions.

- **Consider developing policies and procedures to audit non-FDA inspections.**

We plan to develop policies and procedures to field audit non-FDA inspections and involve our lead workers in field auditing these inspections.

To address many of the challenges in staffing facing the Food Safety Program, we recommend ODA:

- **Use the agency's own data and the FDA staffing tool to better estimate the program's staffing needs.**

As part of enhanced data analysis efforts, we plan to determine how to best gather these data and regularly update them to better estimate our staffing needs based on program priorities, new demands for services such as FSMA inspections, and technological changes in food businesses. The agency will use this information to develop strategies to best address program needs and develop future agency budget requests.

- **Develop a formal succession plan to prepare for retirements among inspectors.**

We plan to build upon an existing list of specializations that our inspectors possess and develop training plans and lead trainers for each specialization. Conducting this work will help the program to absorb knowledge loss from both retirements and departures for other reasons (moving on to FDA, for example). We have been doing some of this work informally already, but agree that it would be beneficial to formally develop more structured succession plans.

- **Consider reassessing the program structure, classifications and compensations to more fairly reflect the expectations of specialists and field operations managers.**

We have already started to pursue a compensation structure for our field operations managers that will more fairly reflect the responsibilities and importance of these positions. We will continue to pursue this issue with the Oregon Department of Administrative Services.

Conclusion

Once again, thank you for the learning opportunity the audit provided to our management team, and for the chance to respond to the recommendations raised in the report. We believe the audit has been helpful to the program and the agency and appreciate the thoroughness and professionalism of the audit team.

Sincerely,

Lisa Hanson
Acting Director

cc: Katy Coba, Director, Oregon Department of Administrative Services

About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of her office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The division is authorized to audit all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

Audit Team

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This report, a public record, is intended to promote the best possible management of public resources. Copies may be obtained from:

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The courtesies and cooperation extended by officials and employees of the Oregon Department of Agriculture during the course of this audit were commendable and sincerely appreciated.

Backlog Tracking

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp, jab, jf, fb, rr, md 01/17/17; sp,jab,fb,ks,rr, md 12/02/16.

Draft - Audit Strategic Plan / Improvement Plan (IP) Deliverables

(1) Item#	(2) Programmatic Gaps / Current Plans (Tasks/Goals)	(3) Why (Justification why gap should be filled or plan should be improved)	(4) How (Strategy and Resources)	(5) Progress (Responsible Personnel and Measureable Conformance)	Timeline for Work in Progress	
					(6) Target Date	(7) Completed Date
1	Identify what data is essential to track for generating a backlog report.	Because: • We need a reliable report that would represent fairly a moving target (i.e. total license increase/decrease, internal & external inspection cycles). • We collect lots of data and can generate numerous reports but not all of them would help track & address backlogged firms.	• Analizing current data collected and identifying the report(s) that would provide relevant data to track the backlogged firms.	1. Field supervisors run reports from Central Office and try to evaluate applicability to a backlog report. Discuss preliminary findings with the rest of management team. 2. Program director follows up with possible hiring of a consultant to help us with this project. Consultant is hired. 3. Determine if current 'Inspection Age' report meets the criteria needed to track the backlog firms or if a new format should be developed. 4. Involve Automation Specialist if new backlog report format should be built. Test new report to obtain feedback and modify accordingly.	1. 01-31-2017 2. 12-31-2016 3. 02-28-2017 4. 03-31-2017	1. 01-17-2017 2. 01-10-2017 3. 01-26-2017 new report created to ensure that the Inspection 'Age' report data would be accurate. Additional report for addressing backlog firms is needed. 4. To Be Determined

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					(6) Target Date	(7) Completed Date
2	Establish the frequency for runing the backlog reports.	Because the data should: • Provide meaningful information for management to make decisions, shift resources and identify trends. • Help inspectors prioritize their backlogged firms.	• Discuss the adequate report frequency for management and field inspectors according to the objectives. • Determine if the report should be run according to the 'backlogged firm' definition (>90 days late for inspection), license types and/or risk classification.	1. For management reports: schedule dates when the reports should be generated and assign responsibility. 2. For field inspectors reports: management provides written procedure and training as to when to generate the reports and how to prioritize the backlogged firms. 3. Management and/or future Compliance Coordinator review the data and determine follow-up actions (i.e. create plan for sending inspectors out of their area to help, instruct emlpoyees to correct MBIs', etc.) 4. Supervisors provide feedback to field inspectors according to the data review. 5. Repeat cycle.	1. 02-28-2017 2. 04-28-2017 3. 05-31-2017 4. 06-30-2017 5. Work in progress	1-4 To Be Determined

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					(6) Target Date	(7) Completed Date
3	Establish a backlog goal that is acceptable for the FS program.	Because due to the nature of our activities there will be always a backlog of inspections.	Identifying: • a backlog range (number or percentage) that is realistic and acceptable based on historic data analisys, • what would be consider significant improvement overtime (expectations) • is backlog increasing or decreasing overtime?	1. Program director follows up with possible hiring of a consultant to help us with this project. 2. Constultant works with management to assess improvement on data quality and use, and helps comparing data and suggesting improvements needed. 3. If possible, consultant establishes a backlog range and develops a forecasting tool to estimate backlog changes due to different factors (i.e number of inspectors, number of FDA contracts, etc.)	1. 12-31-2016 2. 07-31-2017 3. 01-31-2018	1. 01-10-2017 2 & 3. To Be Determined

Inspectors Time Tracking

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp, jab, jf, fb, rr, md 01/17/17; sp,jab,fb,ks,rr, md 12/02/16;

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					(6) Target Date	(7) Completed Date
1	Create a system for easy tracking and analysis of inspectors time.	Current paper dailies are not practical: must be entered into database, are difficult to read and analyze.	Creating a simple database.	1. Management identifies information needed in database. 2. IS and Automation Specialist develop the electronic daily report. 3. Field tested by assigned inspectors. 4. Rolled out to the rest of field inspectors with brief training and written guidance on how to use it.	1. 12-31-2016 2. 02-28-2017 3. 03-31-2017 4. 04-27-2017	1. 01-25-2017 2-4. To Be Determined

Draft - **Audit Strategic Plan / Improvement Plan (IP) Deliverables**						
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					(6) Target Date	**(7) Completed Date**
2	Identify workloads for each inspector	Because: • There is a lot of variability. • There are diverse activities for which time is not captured in the BFS inspection program. • Certain license types or activities within the same license typer are more time consuming than others.	Analysing every inspector's assignment - running reports that would provide the information but also discussing it with the inspector for accuracy.	1. Field supervisors create an electronic profile for each inspector with their assignment (activities and license #), specialties, special projects, etc. 2. Field supervisors estimate time invested on the above and determine if there are improvement areas, adjustment of workloads, etc. 3. ODA GIS coordinator creates a map that helps management identify at a glance areas in the state that need extra assistance or certain skill based inspections.	1. 03-31-2017 2. 04-27-2017 3. 05-31-2017	1-3. To Be Determined

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					(6) Target Date	(7) Completed Date
3	Achieve consistency on the way all inspector activities are captured	There are still certain activities that are not documented in BFS, but in the dailies (i.e. drinking water surveys, FDA contract review, consultations, etc). Those are more likely to be inconsistently documented by the inspectors performing the activities.	• Writing guidance for field inspectors, specially for those activities not captured in BFS. • Evaluating if it is possible to add some of those into the BFS program.	1. Field supervisors summarize those activities to be shared with inspectors and later discussed with Automation specialist. 2. Automation specialist and management determine if it is necessary to incorporate all acitivites in BFS. 3. Write and distribute clear guidance for those activities that can not be entered in BFS but need to be documented on the dailies in a consistent manner. 4. Field supervisors provide training for verbal and writen guidance to field staff during staff conference.	1. 03-31-2017 2. 03-31- 2017 3 & 4. 04-27-2017	1. 01-26-2017 --ongoing 2-4. To Be Determined
4	Establish and communicate clear priorities and expectations to staff	Because the inspectors receive directions and priorities from multiple sources	• Managers discuss regularly priorities prior communicating to field staff. • Write guidance on 'priorities' for field staff	1. Managers discuss program priorities on a monthly basis and communicate those to field staff. 2. Establish a communication flow system to reduce missunderstandings and help inspectors focus on the priorities. 3. Write guidance on prioritization of activities to aid inspectors when dealing with multiple priorities that seem to have similar importance. 4. Create a report that would help inspectors visualize the inspection priorities.	1. 02-28-2017 2. 03-31-2017 3. 04-27-2017 4. 06-30-2017	1-4. To Be Determined

Assistance/Consultation Guidance

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp, jab, jf, fb, rr, md 01/17/17; sp,jab,fb,ks,rr, md 12/02/16;

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					(6) Target Date	(7) Completed Date
1	Write guidance on 'consultation' time vs. inspection time	Because they are often conducted together and reduces inspection time	Writing policy and training inspectors	1. Management writes policy (consider editing existing draft or creating a new one) and shares with lead workers for feedback. 2. Ammend accordingly. 3. Distribute policy and train inspectors. 4. Evaluate changes and adjust accordingly.	1. 03-31-2017 2. 04-14-2017 3. 04-27-2017 4. 08-31-2017	1-4. To Be Determined

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					(6) Target Date	(7) Completed Date
2	Monitor consultation activities and time associated	There is no consistency on approach and documentation	Creating reports from BFS and dailies to monitor the policy's implementation	1. Management and/or future Compliance Coordinator extract consultation reports, review the data and time associated with the consultations to determine implementation and possible follow-up actions. 2. Supervisors provide feedback to field inspectors according to the data review. 3. Repeat cycle every quarter.	1. 08-31-2017 2. Group: TBD - Fall Staff Conference Individual: as info is available or during performance evaluations. 3. Ongoing once the policy has been implemented.	1-3. To Be Determined

FDA Contract Reduction

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp, jab, jf, fb, rr, md 01/17/17; sp,jab,fb,ks,rr, md 12/02/16;

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					(6) Target Date	(7) Completed Date
1	Reduce FDA contract inspections	They are time consuming and contribute to increasing the backlog of routine state inspections	Decreasing gradually the number of inspections during upcoming negotiations	1. Program Director and Food Manager discuss it with FDA. 2. Reduce 100 inspections for 2017-2018 cycle. 3. Establish a minimum number that is convenient for the FS prorgam to keep.	1. 12-31-2016 2. 06-16-2017 3. 06-30-2017	1. 12/16/2017 2 & 3. To Be Determined

Draft - **Audit Strategic Plan / Improvement Plan (IP) Deliverables**						
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					(6) Target Date	**(7) Completed Date**
2	Select high and medium risk firms	To improve the outcome of the time invested in this inspections	Focusing on our list of preferred firms and trying to adhere to it as much as possible	1. Discussing with FDA what is our interest in the future during the regular contract meeting with FDA. 2. Maintining our focus during the selection process.	1. 05-31-2017 2. 06-30-2017	1 & 2. To Be Determined
3	Explore different models for FDA contract written reports review	To determine if a different staffing model would be more beneficial to the program	Evaluate how much FTE time is currently invested into this task	1. Run report based on dailies of the contract reviewers. 2. Evaluate what benefit this provides to the program. 3. Determine if we need a change.	1. 05-31-2017 2. 06-30-2017 3. To Be Determined	1-3. To Be Determined

Data Analysis Position

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp,jab,fb,ks,rr, md 12/02/16;

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					(6) Target Date	(7) Completed Date
1	Explore alternative staffing options to handle data analysis	Because data is not analized on a regular basis as managers are busy with other duties	Drafting a possible list of duties for the new technical position and research possible classification with Human Resources	1. Program director hires temporary consultant to help with preliminary data analysis. 2. Managers discuss the benefits of pursuing a permanent postion. 3. Evaluate if legislature approval is needed or if one of the current available positions could be designated for this role. 4. Hire/promote new position.	1. 12-31-16 2. 01-31-17 3. 02-28-17 4. 04-28-17	1. 01-10-17 2. 02-02-17 3 & 4. To Be Determined

Partnerships with other agencies

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp, jab, jf, fb, rr, md 01/17/17

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					(6) Target Date	(7) Completed Date
1	Build partnerships with other agencies relevant to the Food Safety Program	Because we could improve comunication & cooperation about licensing and inspections	Reaching out to those agencies, providing our information and getting their contact information	1. Managers identify those agencies and best way to reach out to them. 2. Managers are assigned to contact those agencies to communicate our interest and exchange contact information. 3. Add contact information to existing list and update annualy.	1. 05-31-2018 2. 06-30-2018 3. 07-31-2018	1-3. To Be Determined

Written Report Reviews

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp,jab,fb,ks,rr, md 12/02/16

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(1) Item#	(2) Programmatic Gaps / Current Plans (Tasks/Goals)	(3) Why (Justification why gap should be filled or plan should be improved)	(4) How (Strategy and Resources)	(5) Progress (Responsible Personnel and Measureable Conformance)	Timeline for Work in Progress	
					(6) Target Date	(7) Completed Date
1	Conduct written report audits for state routine inspections	Currently we only audit written repots for new inspectors and the FDA contracts	• Establishing a system for report selection. • Writing guidance on writen reports criteria for field staff. • Training staff and communicating expectations.	1. Management writes guidance for written inspection reports. 2. Field staff is trained on new guidance. 3. Compliance Coordinator selects and review the written reports according to criteria. 4. Feedback provided to inspectors individually and in group.	1. 03-31-2017 2. 04-27-2017 3 & 4. 06-30-2017 and ongoing	1-4. To Be Determined

Draft - **Audit Strategic Plan / Improvement Plan (IP) Deliverables**						
(1) Item#	**(2) Programmatic Gaps / Current Plans (Tasks/Goals)**	**(3) Why (Justification why gap should be filled or plan should be improved)**	**(4) How (Strategy and Resources)**	**(5) Progress (Responsible Personnel and Measureable Conformance)**	**Timeline for Work in Progress**	
					(6) Target Date	**(7) Completed Date**
2	Develop form and summary worksheet	We need to follow the same protocol for review and documentation wich is currently inconsistent	• Amending forms developed under MFRPS	1. Management reviews and ammends existing form. 2. Compliance Coordinator uses the form and worksheet to keep trak of this activity and determine changes needed.	1. 03-31-2017 2. 06-30-2017 and ongoing	1 & 2. To Be Determined

Supervisors in the field

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp, jab, jf, fb, rr, md 01/17/17; sp,jab,fb,ks,rr, md 12/02/16;

Draft - Audit Strategic Plan / Improvement Plan (IP) Deliverables

(1) Item#	(2) Programmatic Gaps / Current Plans (Tasks/Goals)	(3) Why (Justification why gap should be filled or plan should be improved)	(4) How (Strategy and Resources)	(5) Progress (Responsible Personnel and Measureable Conformance)	Timeline for Work in Progress	
					(6) Target Date	(7) Completed Date
1	Establish a goal for supervisors working in the field with inspectors	Because it is not happening on a regular/consistent basis	• Setting a baseline goal with some flexibility. • Reducing supervisors participation in other projects such as MFRPS, FDA contract selection, etc.	1. All managers discuss and establish a realistic goal. 2. Supervisors schedule dates out with inspectors. 3. Design an electronic spreadsheet to document supervisors field activities.	1. 12-31-2016 2. 01-15-2017 & ongoing 3. 02-28-2017	1. 12-02-2016 2. Ongoing 3. To Be Determined

Draft - **Audit Strategic Plan / Improvement Plan (IP) Deliverables**						
(1) Item#	**(2) Programmatic Gaps / Current Plans** (Tasks/Goals)	**(3) Why** (Justification why gap should be filled or plan should be improved)	**(4) How** (Strategy and Resources)	**(5) Progress** (Responsible Personnel and Measureable Conformance)	**Timeline for Work in Progress**	
					(6) Target Date	**(7) Completed Date**
2	Establish a minimum baseline to work with each inspector in the field	Because due to geographical locations some inspectors may not be reached out	Analyzing each inspector's assignment and geographical location to plan accordingly.	1. Supervisors prioritize inspectors by geographical locations and assignments. 2. Coordinate supervisors activities in order to conduct some cross 'field audits' with inspectors.	1. 02-28-2017 2. 03-31-2017	1 & 2. To Be Determined

Field Audits

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp,jab,fb,ks,rr, md 12/02/16.

Draft - Audit Strategic Plan / Improvement Plan (IP) Deliverables

(1) Item#	(2) Programmatic Gaps / Current Plans (Tasks/Goals)	(3) Why (Justification why gap should be filled or plan should be improved)	(4) How (Strategy and Resources)	(5) Progress (Responsible Personnel and Measureable Conformance)	Timeline for Work in Progress	
					(6) Target Date	(7) Completed Date
1	Conduct field audits for state routine inspections	Currently we only audit a limited number of inspections under FDA contract	• Take FDA contract audit plans per inspector as a starting point to then plan the state routine inspection audits in other program areas (i.e. retail, drinking water, egg grading, etc.) • Involve lead workers to assist with auditing activities.	1. Managers determine a baseline for field audits (type & number) per inspector according to their individual assignment. 2. Managers assign work to themselves (cross-auditing) and/or lead workers. 3. Audit paperwork is submitted to Compliance Coordinator for tracking and trending. 4. Feedback is provided to inspectors individually at the end of the audit and as a group during staff conferences.	1. 03-31-2017 2. 05-31-2017 3 & 4. To Be Determined	1-4. To Be Determined

Draft - Audit Strategic Plan / Improvement Plan (IP) Deliverables

(1) Item#	(2) Programmatic Gaps / Current Plans (Tasks/Goals)	(3) Why (Justification why gap should be filled or plan should be improved)	(4) How (Strategy and Resources)	(5) Progress (Responsible Personnel and Measureable Conformance)	Timeline for Work in Progress	
					(6) Target Date	(7) Completed Date
2	Create field audit forms, summary worksheets and database to document the field audits	Because: • the forms need to be applicable to any type of license/activity audited. • database will help with field audit planning.	• Develop audit forms for state routine inspections applicable to different types of licenses. • Create a database to capture essential data for easy tracking	1. Managers develop a field audit form and summary worksheet to capture it's elements. Test audit form with different license types. Amend if necessary. 2. Automation Specialist assists to create a sortable database to document **all** field audit activities.	1. 03-15-2017 2. 05-31-2017	1 & 2. To Be Determined

Succession Plan

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp, jab, jf, fb, rr, md 01/17/17; sp,jab,fb,ks,rr, md 12/02/16;

Draft - Audit Strategic Plan / Improvement Plan (IP) Deliverables

(1) Item#	(2) Programmatic Gaps / Current Plans (Tasks/Goals)	(3) Why (Justification why gap should be filled or plan should be improved)	(4) How (Strategy and Resources)	(5) Progress (Responsible Personnel and Measureable Conformance)	Timeline for Work in Progress	
					(6) Target Date	(7) Completed Date
1	Ensure that specialization for advanced inspections needs is covered	Because it is a lenghty training process that requires lots of planning and resources	Analysing the inventory of firms with special processes, their geographical location, currently trained personnel, and prioritizing training needs.	1. Update and distribute the Sign-off training plan for year 2017. 2. Conduct mid year follow-up training plan review. 3. Evaluate and update by the end of the year - repeat the cycle.	1. 12/15/2016 2. 06/30/2017 3. 12/31/2017	1. 01/10/2017 2 & 3. To Be Determined

Draft - Audit Strategic Plan / Improvement Plan (IP) Deliverables

(1) Item#	(2) Programmatic Gaps / Current Plans (Tasks/Goals)	(3) Why (Justification why gap should be filled or plan should be improved)	(4) How (Strategy and Resources)	(5) Progress (Responsible Personnel and Measureable Conformance)	Timeline for Work in Progress	
					(6) Target Date	(7) Completed Date
2	Foster a culture that would give early notices for retirement.	Because this would help managers prepare for their departure	Consulting with Human Resources for best approach and then communicating with all FS personnel during Staff Conferences.	1. Program Director consults with HR on best approach. 2. Once an employee gives notice, management promptly identifies any special activity related to that position's assignment that may be difficult to replace. 3. Offering a temporary position for the retiring employee to assist training the successor.	1. 04/15/2017 2. Ongoing 3. Ongoing	1. To Be Determined 2 & 3. Ongoing

Compensation Structure

Oregon Department of Agriculture

Food Safety

Secretary of State Performance Audit Conducted in 2016

Review Date: md 02/02/17; sp,jab,fb,ks,rr, md/12/02/16;

Draft - Audit Strategic Plan / Improvement Plan (IP) Deliverables

(1) Item#	(2) Programmatic Gaps / Current Plans (Tasks/Goals)	(3) Why (Justification why gap should be filled or plan should be improved)	(4) How (Strategy and Resources)	(5) Progress (Responsible Personnel and Measureable Conformance)	Timeline for Work in Progress	
					(6) Target Date	(7) Completed Date
1	Reasses program's structure, classification and compensation system	Because it has been difficult to attract and retain field supervisors	Collect information to probe salary compression that exists between NRS4's and field supervisors and creates disincentive for staff to become supervisors	1. Director's office will pursue this reassesment with DAS. 2. Adjust salaries as soon as the proposal is approved.	1. 06-31-2017 2. 12-31-2017	1 & 2. To Be Determined

Oregon Department of Agriculture
Appendix Item:
Description of how recent changes to agency budget and/or management flexibility affected agency operations

The budget structure of the Oregon Department of Agriculture (ODA) is based on the following four policy areas:

- Administrative Services
- Food Safety
- Market Access
- Natural Resources

The programmatic organization of ODA is based on five program areas:

- Market Access and Certification
- Food Safety and Animal Health and Identification
- Natural Resources
- Plant Protection and Conservation
- Internal Service and Consumer Protection

ODA is a diverse department with multiple programs that are as diverse as Oregon's agricultural footprint. The budget structure creates the financial blueprint for the agency to operate in state government and track financial resources. On a day-to-day basis, ODA envisions an organizational structure that is focused on program delivery and is outcome based.

The reorganization of the department to five program areas has taken place over the last several years and is an on-going process. Prior to the reorganization, ODA was organized as nine separate and distinct divisions. The goal of the reorganization is to create an internal structure that encourages programs to work together on issues that not only benefit individual programs but also bring a direct or indirect benefit to the department and its work.

The "flattening" of ODA's organizational structure:

- Reduced the number of divisions (from nine to five)
- Eliminated an assistant director and assistant division administrator positions
- Reduced the number of office manager positions (from nine to five)
- Stronger communication amongst program areas with decision making being made by ODA's executive team.
- Assists with identifying opportunities for the sharing of resources and skills across program areas. For example:

- Utilization of Weights and Measures inspectors to assist Food Safety inspectors (Just Checking In Program)
- Nursery program staff to assist Certification program staff.
- Standardization of department fleet vehicles and cross utilization to ensure full usage
- Program staff expertise and skills can be utilized outside of their normal areas of work to provide personal development opportunities while providing assistance to another program

The infrastructure needs of ODA have not kept pace with the demands placed upon it. Administrative functions, such as Human Resources and Information Technology Services, have remained flat even though programs increasingly have a greater need for these services.

ODA has not been well equipped to meet the laboratories' scientific needs either. ODA received an investment in its laboratories last biennium to address this need but further investments are needed to keep pace with technological advances.

In the past, ODA was predominately funded with Other Funds that come from licenses fees and fee-for-service programs. Those fees have had to pay a disproportionate share of administrative functions and cannot bear the full cost of making infrastructure improvements without achieving "parity" in funding mixes. ODA received resources last biennium to help with the parity issue, however it still remains a challenge for the department to achieve parity.

Agency: Agriculture

Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 17-19 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation, P=Planning, E=Execution, C=Close-out	If continuing project - Has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times?	Purpose: L=Lifecycle Replacement; U=Upgrade existing system; N= New system	What Program or line of business does the project support?
Measurement Standards Inspection System	The purpose of this project is to develop a new Measurement Standards Division (MSD) device inspection software system that can be operated on a portable device (i.e., I-pad, tablet or laptop) that will allow MSD inspectors in the field to perform and record NIST Handbook 44 weighing and measuring device inspections, record complaints and investigation findings, collect evidence (i.e., pictures, drawings, flowcharts), document deficiencies (code violations) capture signatures, draft, merge and print letters and reports, fill out license and payment data, track fuel screening results, track fuel samples, track the daily activities of the inspector including fleet mileage, and provide an assortment of inspector specific reports. This system will integrate approximately 5-6 other individual systems currently being used in the division today. Information from the field to the Central Office server will be synced at least once a day.	3/1/17	6/30/19	0	$295,000	$335,000	Base	I	N/A	N	Weights and Measures

***UPDATED* OTHER FUNDS ENDING BALANCES FOR THE 2015-17 & 2017-19 BIENNIA**

Agency: 60300 Department of Agriculture
Contact Person (Name & Phone #): Lauren Henderson 503-986-4588

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
					2015-17 Ending Balance		2017-19 Ending Balance		Comments **(1) All agency Other Funded programs manage expenditures to available cash.** **(2) Operating reserve based upon 3 months of expenditures. 15-17 Operating reserve estimated by multiplying 15-17 estimated biennial expenditures by 12% (3/25= 12%); 25 months expenditures used for calculating biennial average.** **(3) Column (f) Ending Balances reflect 15-17 Leg Approved Budget thru September E-Board.** **(4) 15-17 Revenues/expenditures adjusted to reflect actuals more closely.** **(5) 17-19 Ending Balance calculation in column (i) based upon expenditures in GRB.** **(6) Agency structure was updated to remove Agricultural Services Roll-up SCR.** **(7) Many of the department's fees are received annually. Please refer to color coded legend.**
Other Fund Type	**Program Area (SCR)**	**Treasury Fund #/Name**	**Category/Description**	**Constitutional and/or Statutory reference**	**In LAB**	**Revised**	**In CSL**	**Revised**	
Limited	Admin and Support Services 010-01-00-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144	2,106,118	1,476,563	1,974,304	1,403,560	2017-19 Governor's Budget funded Pkg 120 and Pkg 140 with Other Funds.
Limited	Farm Mediation 010-07-00-00000	0401/ Agriculture Non-Interest Earning	Operations	ORS 36.250, 36.270	(341,616)	1	(333,719)	(331,543)	Expenditures managed to available cash. 2017-19 assumption of all limitation being spent is driving the negative ending balance.
Limited	Food Safety 030-01-10-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 603,616,619,621,625, 628,632,635	4,547,556	6,483,019	6,772,167	5,809,674	2017-19 Governor's Budget includes a shift from General Fund to Other Funds, and Other Fund expenditures in Pkg 210. Reduction in Federal Funds work may draw down Other Funds balance further.
Limited	Shellfish 030-01-20-00000	0485/ Agriculture Interest Earning, 0401/ Agriculture Non-Interest Earning	Operations	ORS 622.090	120,563	258,253	43,718	79,790	2015-17 Leg Adopted Budget included additional General Fund for Shellfish sampling. Program realigned expenditures to available funding.
Limited	Weights and Measures 030-02-10-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 618.136	3,109,206	2,189,527	2,785,006	208,645	2017-19 Governor's Budget includes Other Fund expenditures in Pkg 285. Agency will work with stakeholders for future fee increase.
Limited	Motor Fuel Quality 030-02-20-00000	0485/ Agriculture Interest Earning	Operations	ORS 646.959, 646.961	(104,170)	128,521	10,336	(43,508)	2017-19 Governor's Budget includes Other Fund expenditures in Pkg 290. Fee increase effective July 2016, with scheduled increases for July 2017 and July 2018.
Limited	Laboratory Services 030-02-30-00000	0401/ Agriculture Non-Interest Earning	Operations	ORS 561.240, 561.144	(1,174,312)	19,629	(1,676,682)	(1,930,651)	2015-17 expenditures managed to available cash. 2017-19 Governor's Budget funded Pkg 220 with Other Funds. 2017-19 assumption of all limitation being spent is driving the negative ending balance. Internal agency Other Funds programs support the lab and provide the bulk of the revenue. ODA Other Funded programs are subsidizing cannabis work related to lab infrastructure and testing.
Limited	Animal Health 030-01-30-00000	0485/ Agriculture Interest Earning, 0401/ Agriculture Non-Interest Earning	Operations	ORS 561.144,596.030, 596.311, 601.040, 609.335	317,236	553,142	751,467	562,605	Fee increase effective July 2016.
Limited	Livestock 030-01-50-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 604.066	1,493,098	824,044	1,415,457	860,238	2015-17 expenditures higher than earlier estimates; revenue lower than estimates due to livestock market.
Limited	Feeds 030-01-40-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 633.089	436,068	473,099	309,417	302,222	

Limited	Soil and Water Cons Districts 040-01-10-00000	0401/ Agriculture Non-Interest Earning	Operations	ORS 561.401	(22,681)	(22,656)	(22,604)	(22,656)	
Limited	Ag Water Quality (SB1010) 040-01-20-00000	0485/ Agriculture Interest Earning, 0401/ Agriculture Non-Interest Earning	Operations	ORS 558.140	(284,995)	16,687	(307,102)	(293,826)	Expenditures managed to available cash. 2017-19 assumption of all limitation being spent is driving the negative ending balance.
Limited	Confined Animal Feeding Op. 040-01-30-00000	0485/ Agriculture Interest Earning, 0401/ Agriculture Non-Interest Earning	Operations	ORS 561.144, 468B.215, 468B.230	19,005	25,367	(185,227)	(473,402)	2017-19 Governor's Budget includes a shift from General Fund to Other Funds and will rely on an increase in fee revenue.
Limited	Smoke Management 040-01-40-00000	0485/ Agriculture Interest Earning, 0401/ Agriculture Non-Interest Earning	Operations	ORS 468A.615	(347,589)	267,465	(301,555)	(320,776)	2017-19 assumption of all limitation being spent is driving the negative ending balance. Program will adjust fees if necessary.
Limited	Natural Resources 040-01-50-00000	0485/ Agriculture Interest Earning, 0401/ Agriculture Non-Interest Earning	Operations	ORS 561.144, 622.300	(283,171)	(241,878)	(400,506)	(403,016)	
Limited	Christmas Tree 040-02-10-00000	0485/ Agriculture Interest Earning, 0401/ Agriculture Non-Interest Earning	Operations	ORS 561.144, 571.580	(244,576)	39,215	(240,068)	(318,176)	Expenditures managed to available cash. 2017-19 assumption of all limitation being spent is driving the negative ending balance.
Limited	Weed Control 040-02-20-00000	0401/ Agriculture Non-Interest Earning	Operations	ORS 561.240	(272,994)	(37,714)	(253,448)	(286,594)	
Limited	Nursery Section 040-02-30-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 571.230	(369,411)	917,239	(121,396)	1,059,044	Fee increase effective May 2016, revenue in Pkg 370.
Limited	Nursery Research 040-02-40-00000	0485/ Agriculture Interest Earning	Operations	ORS 571.059	88,405	327,405	51,906	291,578	
Limited	Insect Pest Prevention & Mgmt 040-02-50-00000	0485/ Agriculture Interest Earning, 0401/ Agriculture Non-Interest Earning	Operations	ORS 561.144, 632.940	(237,608)	(64,057)	(128,745)	(95,751)	
Limited	Invasive Species Council 040-02-60-00000	0485/ Agriculture Interest Earning, 0401/ Agriculture Non-Interest Earning	Operations	ORS 576.821	188,860	181,780	(81,513)	(161,899)	Council will not spend limitation unless revenue is brought in to cover expenditures.
Limited	Plant Conservation Biology 040-02-70-00000	0401/ Agriculture Non-Interest Earning	Operations	ORS 564.105	(188,562)	(355,444)	(336,485)	(469,515)	Program relies on Federal and Other Funds grants.
Limited	Pesticides 040-01-60-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 634.326	1,006,150	3,994,483	5,124,689	3,948,688	Fee increase effective January 2016.
Limited	Fertilizers 040-01-70-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 633.089	1,912,716	1,111,664	1,596,027	724,675	Fee increase effective July 2016.
Limited	Pesticide Use Reporting System 040-01-80-00000	0485/ Agriculture Interest Earning	Operations	ORS 634	0	0	0	0	Program was suspended in the 09-11 biennium.
Limited	Pesticide Analytical Resp Ctr 040-01-90-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 634.326	(682,384)	25,996	(427,384)	(23,020)	2017-19 Governor's Budget includes a shift from General Fund to Other Funds, supported by Pesticides fees.
Limited	Apiary 040-02-80-00000	0485/ Agriculture Interest Earning	Operations	ORS 602	0	0	75,458	65,562	Fee increase effective April 2016.
Limited	Shipping Point 050-01-10-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 632.940	(426,098)	2,215,004	1,517,718	1,094,455	Cost recovery fee for service. Program will adjust fees if necessary.
Limited	Seed 050-01-20-00000	0485/ Agriculture Interest Earning, 0401/ Agriculture Non-Interest Earning	Operations	ORS 561.144, 633.680, 633.700, 633.720, 633.750	81,499	372,474	408,534	209,310	Fee increase effective May 2016.
Limited	Hops/Hay/Grain/Hemp 050-01-30-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144,602.180, 632.940, 586.270, 586.580, 586.650, 586.710, 632.940	44,432	612,327	342,103	429,216	Hemp expenditures are outpacing available revenue.
Limited	Produce 050-01-40-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 585.190	84,798	63,929	64,972	64,779	

Limited	Plant Health 050-01-50-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 561.240, 633.620, 633.750	3,099,099	2,619,937	2,336,484	2,279,371	2017-19 Governor's Budget funded Pkg 220 with Other Funds.
Limited	Certifications 050-01-60-00000	0485/ Agriculture Interest Earning	Operations	ORS 561.144, 632.940. 571.305	(366,282)	(153,518)	(457,744)	(410,487)	Cost recovery fee for service. Program will adjust fees if necessary.
Limited	Ag Development 050-01-70-00000	0401/ Agriculture Non-Interest Earning	Operations	ORS 576	(24,885)	34,635	(105,182)	(286,807)	Expenditures managed to available cash. 2017-19 assumption of all limitation being spent is driving the negative ending balance.
Limited	Commodity Commission Oversight 050-01-80-00000	0401/ Agriculture Non-Interest Earning	Operations	ORS 561.144, 576.304, 576.325	(183,030)	(32,679)	(207,519)	(191,992)	Annual assessment ceiling was increased in 2013-15. 2017-19 Governor's Budget includes additional Other Fund expenditure limitation in Pkg 450. Program operates on a cost recovery basis.
				Total	13,100,445	24,323,459	19,992,884	13,329,793	

	Majority of fees collected Mid-May through June 30
	Majority of fees collected Mid-November through December 30
	Registration fees received in May, Burning fees summer/fall
	Majority of fees collected November, December and during the summer months
	Majority of revenue collected during fall

Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2017-19 legislatively adopted budget.

Instructions:

Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.

Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2015-17 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).

Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).

Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.

Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.

Columns (f) and (h): Use the appropriate, audited amount from the 2015-17 Legislatively Approved Budget and the 2017-19 Current Service Level as of the Agency Request Budget.

Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. Do not include adjustments for reduction options that have been submitted unless the options have already been implemented as part of the 2015-17 General Fund approved budget or otherwise incorporated in the 2015-17 LAB. The revised column (i) can be used for the balances included in the Governor's budget if available at the time of submittal. Provide a description of revisions in Comments (Column (j)).

Column (j): **Please note any reasons for significant changes in balances previously reported during the 2015 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or $50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.

Oregon
Kate Brown, Governor

Department of Agriculture
635 Capitol St NE
Salem, OR 97301-2532

February 13, 2017

Co-Chair Frederick and Co-Chair Witt
900 Court Street NE, Room H 178
Salem, Oregon 97301

Dear Co-Chair Frederick and Co-Chair Witt,

The below is information is in response to a budget note included in the Oregon Department of Agriculture's 2015-17 biennial budget. The budge note reads as follows:

> The Oregon Department of Agriculture (ODA) shall coordinate with the Oregon Watershed Enhancement Board (OWEB) to implement an initiative to direct conservation investments for water quality improvement and watershed restoration projects associated with working agriculture land. To achieve this, the OWEB Board shall include a minimum of $1,000,000 Lottery Funds in the Board's 2015-17 spending plan to work in collaboration with ODA to provide grants to Soil and Water Conservation Districts, Watershed Councils, and other local stewardship organizations, for technical assistance and projects to restore riparian function, improve watershed health and increase water quality in Strategic Implementation Initiatives Areas identified by the ODA Agriculture Water Quality program. ODA staff shall be primarily responsible for supporting this grant program.

OWEB allocated $1,000,000 through a competitive grant process to assist in the implementation of on-the-ground projects identified in Strategic Implementation Areas (SIAs). Projects that could be funded with these dollars include, but are not limited to, streamside vegetation enhancements, manure management investments, and erosion control.

ODA and OWEB have worked closely together to administer these funds. In 2016, approximately, $555,000 was allocated for projects to the following Soil and Water Conservation Districts (SWCDs):

SWCD	Project	Amount ($)
Columbia	Nehalem River Riparian Reforestation Project	43,007
Deschutes	Indian Ford Riparian Restoration Project	123,316
Jackson	Wagner Creek Water Quality Improvement Project	198,517
Yamhill	Lower North Yamhill Conservation Reserve Enhancement Program Project	177,134

Approximately, $445,000 remains to be allocated for 2017.

Additional background information about the SIAs that were selected in 2015-16 and 2016-17 has been enclosed.

If you need further details, please do not hesitate to contact my office.

Sincerely,

Alexis M. Taylor
Director

Enclosure

Oregon Department of Agriculture
Agricultural Water Quality Program
Strategic Implementation Initiative Update
February 2017

General Background:
The Oregon Department of Agriculture (ODA) has implemented the *Strategic Implementation Initiatives*. With this initiative, select areas around the state receive focused outreach and education to address priority water quality concerns. ODA and natural resource partners work together with agricultural landowners and concentrate technical and financial assistance as needed. ODA will enforce water quality regulations where concerns persist. This process is designed to better measure implementation efforts on agricultural and rural lands and report on water quality improvements related to agriculture management activities.

Two *Strategic Implementation Areas* (SIAs) were initiated in 2013 to develop and test the use of a systematic, program-initiated compliance across small watersheds. These SIAs were in Wasco and Clackamas counties. Upon completion of work in these areas, all properties were determined to be in compliance. This was either through working with the Soil and Water Conservation Districts (SWCDs) or ODA. Given the successful outcomes of these pilot project areas, ODA plans to select and implement the SIA process in multiple areas annually.

Seven SIAs were selected in 2015-2016. These included the following watersheds:

- Indian Ford Creek (Deschutes County)
- Lower North Yamhill River (Yamhill County)
- Lower Salt Creek (Polk and Yamhill Counties)
- Threemile Creek (Wasco County)
- Upper Johnson Creek (Multnomah and Clackamas Counties)
- Upper Nehalem River (3 6th field HUCs; Columbia and Clatsop Counties)
- Wagner Creek (Jackson County)

Six SIAs have been selected for 2016-2017 and include the following watersheds:

- Anderson Creek/Nehalem Bay (2 6th field HUCs; Tillamook County)
- Cash Hallow Creek/South Fork Walla Walla River (2 6th field HUCs; Umatilla County)
- Lower Abiqua Creek (Marion County)
- Lower North Fork Nehalem River (Clatsop and Tillamook Counties)
- Neil Creek (Jackson County)
- Odell Creek (Hood River County)