



Testimony before Senate Committee on Natural Resources
Senate Bill 530 - Relating to natural climate solutions
By Jeff Stone, Executive Director – Oregon Association of Nurseries
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Chair Golden, Vice-Chair Girod and members of the committee, my name is Jeff Stone and I serve as the Executive Director of the Oregon Association of Nurseries. It is my hope that my comments on Senate Bill 530 are taken into consideration as the state delves into how to best recognize, promote and encourage agricultural production in the state as a carbon benefit.

Background on the Nursery and Greenhouse Industry

The nursery and greenhouse industry are the state's largest agricultural sector, and the industry ranks third in the nation, with over \$1.2 billion in sales annually to customers in Oregon, the rest of the United States, and abroad. In fact, nearly 80% of the nursery stock grown in our state leaves our borders – with over 50% reaching markets east of the Mississippi River. The nursery industry employs over 22,000 full time workers with an annual payroll over \$327 million. We send ecologically friendly, carbon sequestering, green products out of the state, and bring traded sector dollars back to Oregon. Nursery association members represent wholesale plant growers, Christmas tree growers, retailers, and greenhouse operators. Our members are located throughout the state, with our largest nursery growing operations found in Clackamas, Marion, Washington, Yamhill, and Multnomah Counties.

Years of Isolated Policy Making

In the past several years, the state has taken many actions to combat climate change, and one of my prime concerns is that the regulatory and incentive programs have been developing separate from each other; and the state is developing its own climate policies in parallel to the federal government, rather than in tandem. And through it all, Working Lands initiatives focused on carbon storage and sequestration were not factored into the state's overarching policy equation. While action on Working Lands is necessary – acting in isolation can be more akin to a Frankenstein experiment than cogent sequestration and regulatory policy.

Why it matters: Oregon is responsible for .14% of the world's carbon emissions; so 99.86% of carbon comes from outside of our little slice of the Pacific Northwest. Oregon is abundant in natural resources – timber, food and nursery production – and it is no accident that we have the potential to act as a key to open the door to resolving carbon issues.

Intent to recognize natural working lands' role in climate mitigation is important work

I have sat across the table from Senator Michael Dembrow and commend his commitment to seeking a balanced climate policy that moves our state forward in a manner that is sustainable. I commend the Global Warming Commission for expanding their stakeholder pool to include a voice from the nursery and greenhouse industry. The OAN welcomes a vigorous discussion about how the state harnesses the natural advantages we have at our disposal – farm, forestry and nursery and greenhouse operations.

Senate Bill 530 still needs a lot of refinement

In its current form, the OAN cannot support Senate Bill 530. The bill purports to advance concepts for promoting the state's natural and working lands to mitigate climate change. OAN agrees that the state should emphasize and reward those who grow green goods that directly sequester and store carbon. While additional work was done since the introduction of Senate Bill 1534 in 2022, it is our view and frustration that bills of this nature are crafted without serious engagement with a diverse set of agricultural and forestry producers. There are significant definitional and precedential concepts in the current bill that a potential to harm natural and working lands than help.

Two dozen questions need to be resolved

After a review of Senate Bill 530, there are several sections that have terms not defined in statute, new overly broad and precedent setting terms, and unfunded mandates to state agencies for future climate work. While it may be proven that a cadre of Natural Climate Solution Funds may be a sensible implementation tool, a lot of effort building the program has dwarfed what we believe the priority of the bill should emulate: providing incentives – financial or relief from regulatory burdens – to working land operators to do what they do best – sequester carbon for the long term. Some definitions could change forestry and agricultural practices, and that needs to be vetted to a greater extent before the bill passes.

The original environmentalists can help

The OAN and its membership believe that climate change is happening both here in Oregon and across the globe. We see it with new pests and diseases not previously encountered in our state. We are active in stretching our water resources through technological innovations, and we adopt practices that actively reduce our GHG emissions. So, what did the Global Warming Commission process look like from our vantage point of view? Frustrating. The Advisory Committee spent more time defining terms than developing policy. There did not appear to be much crosstalk between sub-committees. For example, one group was tasked with examining native planting buffers around fields to reduce runoff and erosion, and a nursery expert was not consulted. Not all native species are adapted to the environments that we want to put them in. The right plant in the right place not only sequesters carbon upon planting but continues to do so for a long duration.

The development of baseline emissions for agriculture and assessment of carbon sequestering inventory is important. Agriculture, through the Climate Protection Program debate, was not seen as a carbon emitter; so the question remains – what practices implemented by operations work and continue to work? How are current emissions use being calculated? The past can be a

good indicator for the future. This is especially true for agriculture, and we should seek balanced science over a 20-year period to evaluate best management practices to deploy for the next 20-year cycle. It is important to agriculture that they get credit for the crops they grow and harvest and not just for permanent land use changes.

The Climate Friendly Nursery Project - The first of its kind in the nation, the Climate Friendly Nurseries Project (CFNP) partnered with nurseries to help them measure and reduce energy, resource use and greenhouse gas (GHG) emissions while achieving greater economic efficiency and profitability. The CFNP was an Oregon-only collaboration between OAN and the Oregon Environmental Council and took place from 2009-2011. Nurseries who participated in the program, as well as others in the industry, continue to employ the best practices established with the CFNP. At the conclusion of the three-year project, participating nurseries reduced their GHG emissions by an average of 20%. Best Management Practices for Climate-Friendly Nurseries, a guide developed through the project, provides best practice recommendations and case studies, and identified funding sources and technical resources to assist with the energy and resource-efficiency upgrades. The CFNP demonstrates the need to recognize work and efforts underway and a path to invest in incentive programs to lower the barriers (cost and regulatory) of entry to all nursery and greenhouse production types.

Nursery planting program -The State of Florida has created a roadmap for the use the green products in our transportation system to combat climate change. This visionary program provides for the use of plants and trees to serve as an environmental offset for road improvements and urban investments. There are numerous tree canopy programs throughout the United States that directly combat the urban heat island effect, and Oregon can and should be a leader to demonstrate that collaboration between communities under duress and agriculture is possible. The nursery industry believes that planting large quantities of trees and other plants along roadways has significant value as a method of sequestering carbon, reducing erosion, and creating wildlife habitat. The concept was included in the base bill of House Bill 2020 in 2019.

The bottom line is that SB 530 needs more work

A balanced suite of incentive-based programs that bridges urban and rural communities is within reach of the state. Without coordination with other carbon programs that would secure funding, the low hanging fruit of carbon sequestration will be hard to realize. The sequestration tool is a natural alternative compliance method to the state's regulatory activity and without clear sideboards, SB 530 will miss the mark on the beneficial use of agricultural goods and without tacit inclusion, creates a great chasm between urban and rural collaboration to reduce carbon emissions.

Thank you for your time and consideration.