

On behalf of the Oregon Association of Nurseries, I thank you for the opportunity to submit a written statement to the U.S. Senate, Committee on Agriculture, Nutrition and Forestry. We in Oregon appreciate the committee's willingness to travel to the Pacific Northwest to hear concerns of growers as it pertains to farm policy.

The Brentano family farm is a diversified operation on about 1,500 acres that my three brothers and I manage. The nursery operation, which I manage, grows shade and ornamental trees for sale primarily to landscapers and horticultural distributors who supply the landscape trade. In addition to nursery stock, we grow a diverse mix of crops that includes filberts, grass seed and vegetables. I earned a bachelor's degree in crop and soil science as well as in business management from Oregon State University.

Most Oregon nursery growers would reject the idea of income subsidies or market stabilization programs from the federal government. We accept the risks of farming and believe undue influence in the marketplace through subsidies would do more harm than good for the nursery industry. However, like other sectors of U.S. agriculture, we face a range of problems and issues in Oregon that would benefit from a forward-looking, responsive 2007 Farm Bill.

First, let me address what I think has been effective in past farm bills.

1. Conservation programs that focus on soil stabilization, improved water quality and better habitat for wildlife.
2. Export programs that fund market development activities and technical assistance to eliminate market barriers to specialty crops, including nursery stock.
3. USDA's Rural Development programs that provide for value-added agricultural development grants, rural and regional planning, water and sewer application grants, and the Rural Business Investment Program.
4. Research dollars to further innovation in production technology, best practices and disease management. The USDA Agricultural Research Service's Floriculture and Nursery Research Initiative, with its \$6 million in funding, is a vitally important program aimed at addressing stakeholders' issues and needs.

The next farm bill offers a tremendous opportunity to help specialty crop agriculture cope with new and challenging issues. It's my hope the OAN can provide the committee with legislative concepts that are useful, proactive, and detailed as the committee begins to consider and evaluate the elements of the 2007 Farm Bill.

Nursery Regulation Framework

The biggest challenges to the nursery industry are plant pest and disease issues. West Coast nursery growers face continuing uncertainty that a new pest or plant disease will suddenly disrupt the industry, causing serious economic losses and resulting in closed markets. In this

respect, we differ little from growers of soybeans, wheat or Florida citrus. If nursery growers on the West Coast are unable to ship plant material, then nursery retailers and landscapers across the country suffer, too, because they won't have access to plant material to sell during the critical spring sales season. Like Christmas trees, our industry has a narrow window of time in which to sell our product.

Examples of recent problems include the presence of Emerald Ash Borer in parts of the upper Midwest and Canada, which caused a dramatic drop in demand for ash trees across the country. That meant millions of dollars in lost sales for Oregon nursery growers. The importation of improperly or untreated solid wood packing material associated with industrial goods threatens to introduce exotic and damaging wood-boring insects, such as the Asian longhorned beetle. And, the most serious threat currently confronting nursery growers in Washington, Oregon and California is the plant disease *Phytophthora ramorum*, popularly known in the press as "Sudden Oak Death", but the industry refers to it as *P. ramorum*.

Since the beginning of 2005, Oregon nursery growers have been annually inspected for the presence of *P. ramorum*. Growers producing plants listed as possible hosts for *P. ramorum* must also allow for extensive collection of plant samples for testing, and they must sign a compliance agreement with the Oregon Department of Agriculture (ODA) that imposes certain additional requirements. The nursery industry asked for this regulatory program, and we strongly value ODA's contribution toward our industry's reputation for producing high-quality nursery stock free of harmful pests and diseases.

As an aside, Oregon nursery and greenhouse growers, handlers and retailers fund the state's nursery inspection program through a system of licensing and fees. Over 4,600 nursery licenses are issued, which generate approximately \$1.5 million in revenue for inspection and regulatory activities. In addition, the program generates another \$240,000 for nursery research. I tell you this because our industry recognizes the value of effective and credible inspection and regulatory activities.

Based on our experience with *P. ramorum* and other pests and plant diseases, we conclude the following:

? The current model of nursery regulation and end-point inspection struggles to keep pace with the rising threat of pests and diseases.

? USDA and most state departments of agriculture lack adequate resources to effectively prevent the introduction of new pests and diseases, to quickly identify pests and diseases of concern when early established, and to implement decisive eradication measures before they become established.

? Consequently, a new approach to nursery regulation and inspection is needed.

A new, more-effective strategy for nursery regulation and inspection would rely on nurseries to develop and implement a systems approach that prevents the introduction of pests and diseases into the nursery, conducts regular monitoring for pests and diseases and employs quick and effective responses when problems are found. These systems of nursery production would be

married to programs of regulation, inspection and certification. The premise behind this systems approach is that it's better to focus scarce industry and government resources on promoting and regulating sound systems of production, instead of the current practice of chasing pest and disease problems through programs of end-point inspection. In short, we need to prevent problems from occurring instead of trying to catch problems after the fact.

As you know, the preferred model of assuring the safe production of food is based on Hazard Analysis Critical Control Points (HACCP). We believe many of the basic features of HACCP can apply to the nursery industry.

Specifically, we think new systems-based approaches to regulation and inspection can substantially reduce the risk of introducing and spreading harmful plant pathogens by using the following:

? Have nurseries conduct a risk analysis and determine the greatest risks of introducing a significant plant pest or disease to the nursery.

? Develop and implement effective management tools, at critical control points based on the risk analysis, that operate independently to minimize or eliminate the risk of introducing pests and diseases of concern.

? Require record keeping to ensure proper implementation and management of the "system" and to allow more effective inspection by regulators.

? Growers who pass inspection and are audited and certified as having in place an effective system of controls can ship freely (without need for ongoing end-point inspection).

I want to stress that the idea of nursery inspection and regulation based on a systems approach remains an untested concept. What I've described may seem sensible, but we lack the coherent body of research that provides growers a diverse set of demonstrably effective tools from which they can select to use in their particular operation.

Currently, USDA is test-piloting the concept of a systems approach and certification in a limited way under the U.S. Nursery Certification Program (USNCP). However, no program of research and analysis is associated with the program. In other words, USDA isn't tracking and measuring whether USNCP nurseries are producing cleaner nursery stock than nurseries operating under more traditional programs of inspection. And, no effort is being made to systematically identify and record the challenges and costs to the nursery (or the regulatory agency) of adopting such an approach.

The OAN fears the USNCP test-pilot program, which is intended to facilitate trade with Canada, will evolve into a mandatory program before necessary research has been conducted. Last year, USDA reached agreement with Canada and Mexico, under the auspices of the North American Plant Protection Organization, to require by 2012 that nursery stock traded between our three countries be produced and regulated under the systems approach. We don't know how this can occur in the absence of research necessary to provide tools for growers to use in an integrated system. That's why we need to act now to develop a program of research and

demonstration to determine the effectiveness and applicability of new systems of nursery production and management.

We believe the next farm bill should provide for a multi-pronged effort, as follows:

? Authorize and direct research on systems of nursery production and measure their efficacy in preventing the introduction and spread of plant pest and disease problems.

? Develop and pilot systems for various types of nursery production in different geographic regions to ascertain effectiveness and cost of adoption, and to determine compatibility with new regulatory approaches.

? Establish definite timetables for the dissemination and adoption of new systems of production.

? Establish timetables for the implementation of regulatory programs based on the systems approach as systems are proven effective and become economical to adopt.

We at the OAN believe there is a tremendous opportunity to improve and enhance nursery regulation and inspection. However, the next farm bill must establish a clear set of overarching goals and a program of research, demonstration and dissemination. I've included with my testimony a brief discussion paper describing our position.

Water Quantity and Availability

The state of Oregon is not unique in facing increased competition for natural resources due to high growth. In the Portland metropolitan area alone, the state's largest population center, an estimated 1 million additional people will establish residency over the next 20 years. This growth will not be limited strictly to the confines of the existing city limits; rather growth will reach deep into nearby rural areas, pitting development interests against agriculture for access to water and land.

The OAN advocates for a federal-state partnership to conduct an in-depth study of water quantity and availability throughout the state of Oregon. The committee knows full well the problems that occurred in Congressman Greg Walden's district regarding water availability in the Klamath Basin. We believe a thoughtful and complete study of water quantity and availability, and a comprehensive inventory of potential water storage sites will help us to keep pace with future demands for water in the West.

Soil Conservation and Habitat Restoration

The environmental and conservation programs in Title II should continue to focus their dollars on promoting best practices on working lands. With heavy winter rains experienced in the Northwest, soil erosion can be a big issue for the nursery industry. Program crop producers have made great strides in adopting conservation measures, but nursery and Christmas tree growers would benefit from additional technical assistance and incentives to implement

practices that stabilize soil and enhance water quality.

Previously, I mentioned the need to inventory potential water storage sites. Another way to increase water availability is to identify and promote more efficient use of irrigation water. Numerous opportunities exist to lessen the use of irrigation water in the nursery industry through drip irrigation and by using more intelligent systems of irrigation based on a plant's rate of evapotranspiration and current weather conditions. However, these conservation approaches cost money, and assistance in this area could increase the availability of water for the benefit of farmers, urban users and fish in our streams and rivers.

Include a Specialty Crop Title

We urge the committee to adopt a separate title to the farm bill that acknowledges the contribution of specialty crop agriculture, which accounts for nearly 50 percent of the total value of agricultural crops produced. Accordingly, we support Sen. Larry Craig's push for comprehensive specialty crop legislation in the form of S. 2487. A specialty crop title would provide appropriate organization and focus on farm policy as it relates to specialty crop agriculture and since the product is not considered "trade distorting" by the World Trade Organization.

Immigration Reform

The Oregon Association of Nurseries and the American Nursery & Landscape Association strongly support immigration reform legislation passed by the U.S. Senate. When the House and Senate move to conference on their respective approaches to immigration policy, we urge passage of a comprehensive immigration bill that achieves three important features: 1. establishes border security, 2. provides for an effective guest worker program (to supply much-needed workers for agriculture), and 3. adjusts the status of undocumented immigrant workers with an established record of work in agriculture.

In our view the Senate approach provides the most complete response to the chaos that is immigration policy by strengthening border security and sensibly addressing the problem of the 11 to 12 million undocumented immigrants now working in the United States. In contrast, passage of HR 4437 would do severe harm to Oregon's nursery and greenhouse industry.

As the current president of the Oregon Association of Nurseries, based in Wilsonville, Ore., I submit these comments on behalf of more than 1,500 wholesale growers, retailers, landscapers and suppliers. Oregon's nursery and greenhouse industry is the state's largest agricultural sector. Annual surveys conducted by the Oregon Agricultural Statistics Service consistently show the nursery/greenhouse industry leads all other sectors of Oregon agriculture in sales, payroll and full-time employees. Oregon trails only California and Florida in nursery production and accounts for 15 percent of all U.S. nursery crops.

Other key facts about the Oregon nursery industry:

? Oregon is the nation's largest "exporter" of nursery stock. Over \$600 million worth of

nursery and greenhouse product -- about three-quarters of all production -- is sold outside the state.

? Wholesale sales of nursery/greenhouse material were \$844 million in 2004, and when combined with Oregon's Christmas tree sector, we generate close to \$1 billion in annual sales at the farm gate.

? Oregon's nurseries account for just slightly more than 1 percent of all agricultural land in Oregon, yet produce more than 20 percent of all agricultural sales.

? Oregon is No. 1 in the US in the production of shade trees, coniferous evergreens and Christmas trees; No. 2 among all states in the production of deciduous flowering trees and other broadleaf evergreens; and No. 3 in the production of deciduous shrubs, other ornamentals and fruit and nut plants.

I hope I provided you a useful snapshot of the opportunities and challenges that face nursery growers in Oregon and the Pacific Northwest. Please feel free to call upon Oregon's nursery industry as a partner and resource for the next farm bill.