



**Sunset Review Committee Testimony
Ohio Department of Agriculture
Todd Thatcher, Director of Legislative Affairs and David Miran, Deputy Director of
Regulatory Programs
April 23, 2024**

Opening Remarks

Chairman Wilkin, Vice-Chair Hillyer, and Members of the Sunset Review Committee – on behalf of Director Baldrige and our team at the Ohio Department of Agriculture (ODA) - thank you for the opportunity to offer testimony regarding ODA’s Sunset Review entities. I am Todd Thatcher, Director of Legislative Affairs. Along with David Miran, our Deputy Director of Regulatory Programs, we are pleased to summarize the 14 entities under the Department’s jurisdiction. We are respectfully requesting reauthorization for 13 of the 14 entities.

Commercial Dog Breeding Advisory Board

The Commercial Dog Breeding Program significantly contributes to the mission of the Division of Animal Health through the administration of licenses, completion of inspections, and through providing veterinary laboratory services specifically to practitioners of canines.

The Commercial Dog Breeding Program issues around 500 high-volume dog breeder licenses, slightly under 600 dog broker licenses, and close to 50 pet store licenses. In addition, the program registers over 300 dog rescue facilities. All high-volume dog breeders, dog brokers, and pet stores receive, at a minimum, an annual inspection. In addition to annual inspection requirements, follow-up inspections are performed for any documented non-compliances and investigations resulting from the numerous complaints received annually. Currently, the Commercial Dog Breeding Program employs 3 office staff, 1 field veterinarian, and 5 Animal Health Inspectors.

The Commercial Dog Breeding Advisory Board consists of the following seven members: The state veterinarian in the department of agriculture; and the following six members appointed by the governor, with the advice and consent of the senate: One member representing a humane society; One member who is a county dog warden; One member who is a veterinarian; One member representing animal rescues for dogs in this state; One member who is a member of a professional dog breeding association in this state; and One member representing the public. The board members do not receive compensation.

The Advisory Committee on Livestock Exhibitions

The Advisory Committee on Livestock Exhibitions is tasked with proposing rules for the governing of livestock exhibitions and to advise the Director of Agriculture on all matters relating to the administration of exhibitions.

During the 2023 livestock exhibition season, 847 urine samples were collected and sampled along with 17 dairy milk samples from the Ohio State Fair. The livestock exhibition program is administered collaboratively by the State Veterinarian, Assistant State Veterinarian, and two program administrators. Additionally, the Division of Animal Health field veterinarians and field inspectors geographically divide the county and independent fairs to assist with sampling kit delivery, technical guidance to official exhibition veterinarians, and logistical support for sample delivery at the laboratory. The Division of Animal Health staff participate in the coordination of sample collection, verification of cleaning and disinfection, and check-in of livestock activities at the Ohio State Fair. Additionally, technical laboratory staff are necessary to perform the urine sample testing.

The Advisory Committee on Livestock Exhibitions does not receive appropriations from the General Assembly. The committee consists of 21 members as follows: The director of Agriculture, or the director's designee; The state veterinarian, or the state veterinarian's designee; A representative of the Ohio Cattlemen's Association, the Ohio Purebred Dairy Cattle Association, the Ohio Pork Producers Council, the Ohio Poultry Association, the Ohio Sheep Improvement Association, the Ohio Fair Managers Association, the Ohio Farm Bureau Federation, the Ohio Farmers Union, the Ohio Department of Education and Workforce's Agricultural Education Service, the Ohio State University Extension, the National Farmers Organization, and the Ohio State Grange, or their designees. Each of these members shall be chosen by the organization the member represents: The chairperson of the Ohio Expositions Commission, or the chairperson's designee; Three persons who shall be appointed by the director, each of whom shall serve as a member of a board of directors of a county or independent agricultural society organized under section 1711.01 or 1711.02 of the ORC. Not more than three additional members appointed at the option of the director. Members are not compensated.

The Ohio Livestock Care Standards Board

The Ohio Livestock Care Standards Board is statutorily tasked to adopt rules governing the care and well-being of livestock. The board takes all the following into consideration: best management practices for the care and well-being of livestock, biosecurity, prevention of disease, animal morbidity and mortality data, food safety practices, protection of local, affordable food supplies for consumers, and generally accepted veterinary practices, livestock practice standards, and ethical standards established by the American Veterinary Medical Association.

The Ohio Livestock Care Standards Board does not employ staff but rather utilizes staff from ODA's Division of Animal Health. Section 904.04 of the Revised Code states, in part, the Director of Agriculture shall hire an executive director of the board and investigate complaints regarding violations of the Ohio Livestock Care Standards.

The administration and enforcement of the Ohio Livestock Care Standards is funded through GRF within the Division of Animal Health. Section 904.02 establishes the members of the Ohio Livestock Care Standards Board, which has a total of 13 members. The members are as follows: The director of agriculture, who shall be the chairperson of the board; One member representing family farms; One member who is knowledgeable about food safety in this state; Two members representing statewide organizations that represent farmers; One member who is a veterinarian licensed under Chapter 4741. of the Revised Code; The state veterinarian in the department of agriculture; The dean of the agriculture department of a college or university located in this state; Two members of the public representing consumers in this state; One member representing a county humane society organized under Chapter 1717. of the Revised Code. One member appointed by the speaker of the house of representatives who shall be a family farmer; One member appointed by the president of the senate who shall be a family farmer. Per statute, members are not compensated for their services.

The Farmland Preservation Advisory Board

The Farmland Preservation Advisory Board is established under section 901.23 of the ORC with the purpose of providing advice to the director regarding: 1) the design and implementation of an agricultural easement program; 2) the selection of applications that will be awarded matching grants for the purchase of agricultural easements; and 3) the design and implementation of any other statewide farmland protection measures that the director considers appropriate.

The advisory board meets twice a year and requires a total of approximately 150 hours of staff time from the 3.5 FTE in the Office of Farmland Preservation. The advisory board does not have a dedicated budget, is not compensated for their time, and only receives mileage reimbursement.

An employee of ODA designated by the Director serves as the nonvoting chairperson of the board.

The twelve members of the Board are as follows:

1. county commissioner
2. township trustee
3. representative of OSU
4. representative of a national nonprofit organization dedicated to the preservation of farmland
5. representative of development interests
6. representative of environment interests
7. representative of planning interests
8. representative of soil & water conservation interests
- 9-12. one farmer from each quadrant of the state

The Ohio Soil and Water Conservation Commission

The Ohio Soil and Water Conservation Commission's (OSWCC) principal responsibility is ensuring that Ohioans are well served by their Soil and Water Conservation Districts (SWCDs). Specific responsibilities of the dedicated OSWCC members include determining the allocation of state funds to SWCDs and recommending the level of state and federal funds needed; informing SWCD supervisors of their official powers and duties; issuing appropriate rules and policies governing the election of SWCD supervisors; recommending priorities to the Director of ODA for planning and construction of small watershed projects, and coordination of agreements with local SWCDs; and recommending programs and legislation to state officials relative to SWCDs and encouragement of proper soil, water, and other natural resource management.

The OSWCC does not employ staff but rather utilizes staff from ODA's Division of Soil and Water Conservation to fulfill the goals and objectives listed above. The chief of the Division of Soil and Water Conservation serves as the Executive Secretary and two administrators help to oversee the goals and objectives of the OSWCC. The OSWCC does not have a dedicated budget, however they oversee the allocation of state funds to the local SWCDs. These state funds come from a combination of dedicated purpose funds and general revenue funds. The OSWCC is an uncompensated board and only receives mileage reimbursement.

The OSWCC consists of seven members, six appointed by the governor and one designated by the Ohio Federation of Soil and Water Conservation Districts. The directors of agriculture, environmental protection, and natural resources, the vice-president for agricultural administration of the Ohio State University, and an officer of the Ohio Federation of Soil and Water Conservation Districts, or their designees, may serve as ex-officio members of the commission, but without the power to vote.

The Ohio Propane Council

The Ohio Propane Council was created to establish a statewide marketing program to promote the propane industry as a safe and efficient industry and to promote programs that incentivize the use of propane throughout Ohio; and to support training, research, and industry education.

The Council was created in House Bill 166 (Main Operating Budget) of the 133rd General Assembly in 2019. Since its inception, the Ohio Propane Council has made it a goal to increase energy efficiency for rural Ohioans by creating an appliance rebate program. Through the rebate program, the Council is creating safer homes by requiring appliance installations with safety checks required by licensed professionals. The Council is also making homes operate more efficiently through incentives that encourage newer, more efficient appliances (furnaces and water heaters) that are also using cleaner energy.

The Council, to maximize efficiency and operate at lower costs, has outsourced its operational and rebate processing staff to a contract management organization. The Council has additionally outsourced its marketing efforts to a contractual based public relations firm. Both decisions to

contract with third-party entities allow the Council to operate at a fraction of the cost of in-house staff, and these contractual decisions allow more funding to be devoted to the appliance rebate program.

All funding for the Ohio Propane Council is provided entirely through an assessment of .002 mills per gallon of propane sold at the wholesale level. The Council does not rely on any state funding. The funding mechanism mirrors numerous other state agricultural check-off and marketing programs. By statute, the marketing program is required to be self-supporting.

Per statute, the Council is appointed by the Director of Agriculture and are comprised of two multi-state propane gas retailers; two intrastate propane gas retailers; one cooperative propane gas retailer; one wholesale propane gas wholesaler; one propane gas equipment dealer; the Director of Agriculture or the Director's designee and the state fire marshal or fire marshal's designee. Aside from reimbursement for travel expenses and council-related activities, members of the Council do not receive compensation.

The Ohio Grape Industries Committee

The Ohio Grape Industries Committee (OGIC) was established by the General Assembly in 1981 pursuant to ORC provisions 924.51 through ORC 924.55. The committee is a non-regulatory advisory board mandated to create viable, income-producing grape enterprises in the state of Ohio. It accomplishes this mandate by providing marketing and promotion efforts to generate and expand markets for grapes and grape products and by contracting for extension and research to improve both the quality of grape products and the profitability of grape growing as an agribusiness.

The Committee is member-led consisting of nine individuals, five of which are Ohio grape growers and/or winemakers, as well as the Superintendent of the Ohio Division of Liquor Control or their designee, the Chief of the Marketing Division at ODA, the Viticulture Extension Specialist at The Ohio State University (non-voting), and the Director of Agriculture or his designee. The five industry members are appointed by the Director of Agriculture. The members of this committee are not state employees.

The Committee is funded through a portion (\$.05/gallon) of excise tax collected on all wine sold in the state. The Committee operates to provide Ohio's grape and wine industry with marketing, extension, production, and research programs that help to increase production and sales of Ohio grape and grape products including wine, thus creating viable, income-producing grape enterprises accounting for \$6.6 billion dollars in annual economic impact and more than 41,000 full-time jobs for Ohioans. More than 2.1 million consumers visit Ohio wineries per year and the Committee's programs help keep Ohio wines in the forefront of the travel and tourism industry.

The Advisory Council on Amusement Ride Safety

The Advisory Council on Amusement Ride Safety provides advice and recommendations to the Director of ODA on all subjects pertaining to amusement ride safety, including administrative, engineering, and technical subjects. The Advisory Council consists of sixteen members representing all segments of the amusement ride industry including amusement parks, portable rides, and inflatable devices.

The Advisory Council has aided and supported ODA and its Amusement Ride Safety Division for many years. Recently, the Advisory Council developed administrative code rules implementing Tyler's Law focusing inspections on fatigue and corrosion continuing to ensure that Ohio's rides maintain the highest safety standards in the country.

The Advisory Council typically meets four times annually and has no budget or permanent employees. Additional meetings are held when necessary. Approximately four to six hours are spent by ODA personnel preparing and staffing the Council meeting. Members are entitled to reimbursement for actual and necessary expenses incurred for attending meetings, but historically members have declined seeking reimbursement.

The Agricultural Commodity Advisory Commission

The Agricultural Commodity Advisory Commission was created in 1983 as part of the Agricultural Commodity Handler Law as a mechanism to reimburse grain farmers in the event of grain elevator insolvency. The primary purpose of the Commission is to review all claims filed against a grain elevator experiencing a failure and recommend approvals or denials in the most expeditious manner to the director. When a grain elevator becomes insolvent, eligible farmers can make a claim against the Commodity Depositors Fund for 100 percent of the first \$10,000 of the loss and 80 percent of the remainder.

The Commission also advises the Director of ODA on the administration of Chapter 926 of the ORC. The Commission regularly reviews and discusses the operating budget of the grain regulatory program, as well as, recommending necessary changes to Ohio's laws and rules to regulate the grain industry more effectively and better protect the producers of farm elevator failures.

The Commission is made up of seven members appointed by the Director. The roster of the Commission consists of three farmers engaged primarily in the production of agricultural commodities, one licensed handler who is the manager of a farmer owned cooperative, one licensed handler who is the owner and operator of an elevator in a rural area, one licensed handler representing a warehouse located at a major transportation center and one banker who is an officer of a rural bank.

The Commission is required to meet at least three times per year but can be convened as many times as deemed necessary to review claims timely. Typically, ODA staff spend approximately

four to six hours preparing and staffing each Commission meeting. However, the workload increases dramatically when an elevator fails.

The Agricultural Commodity Depositors fund (4980) balance as of April 1, 2024, is \$15,996,302.44 and is interest earning. Interest earnings are redeposited into the Commodity Depositors Fund (4980). The last elevator failure occurred in 2021. Since the inception of the fund, the Commission has approved 1,544 claims and paid out \$19,404,043.92 to producers that otherwise had no recourse for grain they delivered to licensed elevators.

The Milk Sanitation Board

The Milk Sanitation Board's primary purpose is to provide advice and consultation to the Director of ODA on the administration and enforcement of Ohio's dairy laws and rules. The board is made up of industry leaders who provide the Director and the Department with keen insight into the status of the dairy industry and the potential impact of changes to Ohio law.

The Milk Sanitation Board is statutorily tasked with prescribing inspection fees relative to segments of the licensed dairy community. Additionally, the Board is charged with approving any contracts the Department would enter relative to the Dairy Division.

ODA's Dairy Division provides support staff for the Milk Sanitation meetings. Approximately six to eight hours are spent by ODA personnel preparing and working the Milk Sanitation Board per meeting. The Milk Sanitation Board meets three times a year.

The Milk Sanitation Board consists of nine members and is chaired by the Director or his designee. Additionally, the Director of the Ohio Department of Health or the director's designee sits on the board. The remaining seven members are exclusively from the dairy industry representing producers, processors, and haulers. These positions are appointed by the Director. The seven appointed members of the Milk Sanitation Board are compensated for their time and mileage. Members are paid as E2 employees at a rate of \$18.98/hr. If you add travel time and mileage, the average monetary compensation would be approximately \$218.00 per member per meeting. Funding for the operation of the Milk Sanitation Board comes from the Dairy Division's budget (FY \$3.391 million) which is comprised of approximately 60% industry fees (ALI 700637) and 40% GRF (ALI 700403). The Milk Sanitation Board's yearly outlay is approximately \$4,575 per year.

Agricultural Commodity Marketing Program

The Director of Agriculture may appoint a coordinating committee consisting of one representative from each operating committee administering a marketing program, to coordinate the efforts of all marketing programs established under this chapter. Marketing programs work to expand marketing and promotion of their commodities, engage in educational programming for producers, and conduct research to improve production of and develop new uses for their commodities. Additionally, these programs are member-led and work to provide value enhancing

opportunities for Ohio’s agricultural commodities. The programs and their work are not funded with state funds. They are solely funded through collection of the checkoff assessment.

The Agricultural Commodity Marketing Programs coordinating committee may be established by the Director of Agriculture if they deem necessary. At this point in time, it has not been established. As the committee is not currently active, there is no anticipated workload or staff.

Agricultural Commodity Operating Program

Chapter 924 of the ORC allows for agricultural commodities to establish a “checkoff” program through a statewide referendum of producers. Currently, Ohio has the following checkoffs established through this process:

1. Apple Marketing Board
2. Corn Marketing Board
3. Egg Marketing Board
4. Ohio Beef Council
5. Ohio Sheep and Wool Program
6. Vegetable and Small Fruit Research and Development Program

These programs work to expand marketing and promotion of their commodities, engage in educational programming for producers, and conduct research to improve production of and develop new uses for their commodities. Additionally, these programs are member-led and work to provide value enhancing opportunities for Ohio’s agricultural commodities. The programs and their work are not funded with state funds. They are solely funded through collection of the checkoff assessment.

The members of these programs are not state employees, however, the director of agriculture, or the director's designee, is ex-officio voting member of the operating committee. Program members vary and may represent geographical areas in the state and are appointed by the Director through the nomination and recommendation of agriculture stakeholders. The Corn Marketing Program is the exception to this rule where its members are determined through an election of eligible producers.

ODA’s workload is minimal when compared to the work of the programs. The Director’s designee attends quarterly meetings and reviews required reports to ensure compliance with Ohio law.

The Grain Marketing Program Operating Committee

The Grain Marketing Program Operating Committee is a marketing program established in ORC which collects “checkoff” on the sale of wheat, barley, rye, and oats from producers of such crops for the purpose of research, education, and market development.

The Committee is member-led consisting of nine small grain farmers representing geographical districts who promote their crops not only here in the state but nationwide and abroad. Members of the committee are elected by other small grain farmers. Nomination and any subsequent election are overseen by ODA.

The members of this committee are not state employees, however, the director of agriculture, or the director's designee, is ex-officio voting member of the committee. The Director's designee attends quarterly meetings and reviews required reports to ensure compliance with Ohio law.

The Committee and its work are not funded with state funds. They are solely funded through collection of the checkoff. Members of the committee are entitled to reimbursable travel expenses through the program and not through the state.

The Hemp Marketing Program Operating Committee

Finally, The Hemp Marketing Program Operating Committee was statutorily established in 2019. To allow prospective farmers to plant hemp in 2020, ODA quickly stood up a licensing program approved by USDA. Due to dramatic market changes within the industry, individuals interested in cultivating hemp fell from 202 growers in 2020 to 45 in 2024. Based on this decline, a marketing program would not be able to be self-supporting as required in ORC Chapter 924. Therefore, the program has not been established and the Department recommends that this Committee be sunset.

Conclusion

Mr. Chairman and committee members, we appreciate the opportunity to summarize these entities today. We are happy to answer any questions that you may have at this time. Thank you.