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YEAR IN REVIEW  
MEMBERSHIP  
BUDGET & FINANCIAL  
LEGISLATIVE  
DUES AT WORK  
OREGON WHEAT INFO

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2019-2020

# Annual

REPORT



OREGON  
WHEAT

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# Leadership

## OREGON WHEAT

### Vice President

Ben Maney



### President

Clint Carlson



### Secretary/ Treasurer

Collin Crocker



### Past President

Alan von Borstel



## County Presidents

Baker/Union Counties - Wade Bingaman

Gilliam County - Deacon Heideman

Klamath County - Rodney Cheyne

Malheur County - Kevin Corn

Morrow County - Erin Heideman

Sherman County - Thad Eakin

Umatilla County - Emery Gentry

Wallowa County - Kurt Melville

Wasco County - Josh Duling

N. Willamette Valley - Tom Duyck

S. Willamette Valley - Collin Crocker





# Year in Review

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## Chief Executive Officer

Amanda Hoey

A new chapter in Oregon Wheat unfolded this year as the organization transitioned executive leadership. When I joined in January, it was clear that OWGL would be leading through a complex landscape of issues for producers: new trade dynamics, further pressure on pesticide regulations, a pending EIS for the Columbia River System and a contentious short legislative session, to name a few. What I could not have expected was the additional layer of a global pandemic. Labels of “essential” took on new meaning in March, with the widespread closures of our communities’ economies. It was important that Oregon Wheat adapt to the changes and further our priorities to continue to ensure stability in wheat supply, logistics and needed producer support. We did not skip a beat. Rather, we enhanced our presence and identified opportunities to continue successfully advocating for our wheat producers.

As I look back at the year in review, there are several intangible results that do not make it into a report: particularly in building key relationships that are critical in the long term. However, we also have tangible actions, with a snapshot of significant milestones from the year including:

**Advocating for Trade Agreements:** Advocacy for the negotiation of key trade agreements was central to the year with approximately 40% of U.S. wheat exports covered by three agreements shaped and implemented during the year, as well as further trade discussions impacting Oregon Wheat:

- **Japan Bilateral Agreement Implemented January 1, 2020.** The Agreement levels the playing field, providing equivalent tariff relief for U.S. wheat as was provided to other nations under the Comprehensive and Progressive Trans-Pacific Partnership. The lower Japanese agricultural tariffs are essential for Oregon wheat producers. With a growing price differential gap, completion and implementation in January was essential in order to not miss a sale for Oregon in one of our key markets. It is the start of the agreement, with additional work to follow.
- **U.S.-China Phase 1 Deal Signed January 15, 2020.** The deal contains significant commitments by China to make additional purchases in broad categories, including agricultural products. Other key provisions included improved biotech approvals process; Sanitary and phytosanitary provisions; TRQ administration; improved transparency on China’s domestic support programs; and partial reduction/delay of some tariffs.
- **U.S. Mexico Canada Agreement (USMCA) Signed by U.S. January 29, 2020.** USMCA provides certainty and market stability with continued tariff-free wheat imports to Mexico and improvements in grading of US wheat exported to Canada; allowing U.S. varieties registered in Canada to receive reciprocal grading treatment. USMCA entered into force July 1, 2020.
- **Lifting of Barrier of PNW Wheat Imports to Kenya:** In February 2020, Kenya agreed to adopt a phytosanitary protocol that would allow U.S. wheat from the Pacific Northwest access to Kenya’s market for the first time in over a decade. Signature on the certification protocol aligned with the initiation of free trade agreement discussions.
- Additional trade talks with UK, India, Vietnam and others.

**Protecting the Farmer's Toolbox:** OWGL supported the Farmer's Toolbox with advocacy on proposed pesticide regulations on both state and federal levels. Guidance from the National Association of Wheat Growers (NAWG) and Oregonians for Food and Shelter helped shape our responses to protect most of the products used in weed and pest control by Oregon Wheat producers and ensure their ongoing appropriate use. We promoted Best Management Practices, engaged in co-existence committees and furthered pesticide stewardship activities for the long-term health and preservation of important pest and weed management resources.

**Preserving Transportation:** In partnership with Northwest RiverPartners, neighboring wheat states and Pacific Northwest Waterways Association, we engaged in ongoing and effective outreach to maintain critical navigation infrastructure along the Columbia Snake River System (CRS). The publication of the Environmental Impact Statement for the CRS Operations avoids breaching the four lower Snake River dams and recognizes the Congressionally authorized uses of the river system for power generation, navigation, recreation, irrigation and flood control, all while working to bring the greatest benefit to fish through strategic operation of the system.

**Investing to Research:** With support through our federal congressional delegates, we saw ongoing success in securing \$2 million in continued funding for dryland wheat research. We advocated for stable and expanded resources for the Agricultural Research Service and helped preserve Oregon State University programs critical to wheat growers. Further, with an upcoming retirement at the Columbia Basin Ag Research Center, OWGL successfully sought to retain the OSU director position at the station.

**Addressing Agency Issues:** OWGL worked with our national organization on a number of agency issues, including implementation of options outlined in the Farm Bill such as the new Quality Loss Option for growers that enables farmers the opportunity to remove poor quality years from their Actual Production History. Throughout the second half of the year, we continued to advocate for direct producer assistance through the Coronavirus Food Assistance Program to include all classes of wheat.

**Ensuring CAT Agriculture Fixes:** OWGL has worked with legislators and coalition members over the past two years to mitigate further harm to farm and ranch families under the Corporate Activities Tax (CAT). We saw culmination of those efforts with bi-partisan adoption of CAT Technical fixes that include: a fix to crop insurance payments to ensure that they are not treated as gross receipts under the CAT, a fix to the cost of goods calculation, and clarification for certificate options for bulk commodities where in-state and export sales are co-mingled.

**Advocating for Wheat Interests:** We engaged in state-level advocacy on all issues impacting wheat growers in 2019 Oregon Legislative Session including Cap and Trade, taxes, pesticides, water quality, and more. Through NAWG and the annual DC visit, we continued to advance Oregon wheat interests with strong working relationships with Oregon's Congressional delegation as well as key ag and natural resource agency leaders and business groups.

# Year in Review

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I anticipate the issues we faced this year will accelerate in the year ahead of us. I cannot fully predict the long-term effects from global pandemic responses, how the upcoming election will shake out and thereby shape ag policy, or even what our growing season will look like. Clearly, the author penning the 2019-20 novel had some plot twists in mind, so I am sure we will see some in 2020-21, as well.

However, I can assure you that we are well positioned through strong board leadership, dedicated staff, professional lobbyists, and partnership with our national organization to tackle what is ahead. This year we have continued a focus to outreach efforts with expanded communications, operated in a financially conservative manner to ensure a healthy organization for the future, and concentrated our energies to OWGL designated priorities. Those efforts require the ongoing engagement and support of our members. I look forward to working with you in this upcoming year on what will surely be a wide-ranging set of issues impacting the long-term success of our wheat producers. 🇺🇸

***VIEW OUR POLICIES & PRIORITIES AT [WWW.OWGL.ORG/OWGL](http://WWW.OWGL.ORG/OWGL)***



*Photo by Theresa Peterson*



# 05

# Membership

Membership continues to be a critical part of our organization. OWGL secured new benefits for members including an additional fuel savings programs and began the process of adding a Life Flight Network group discount.

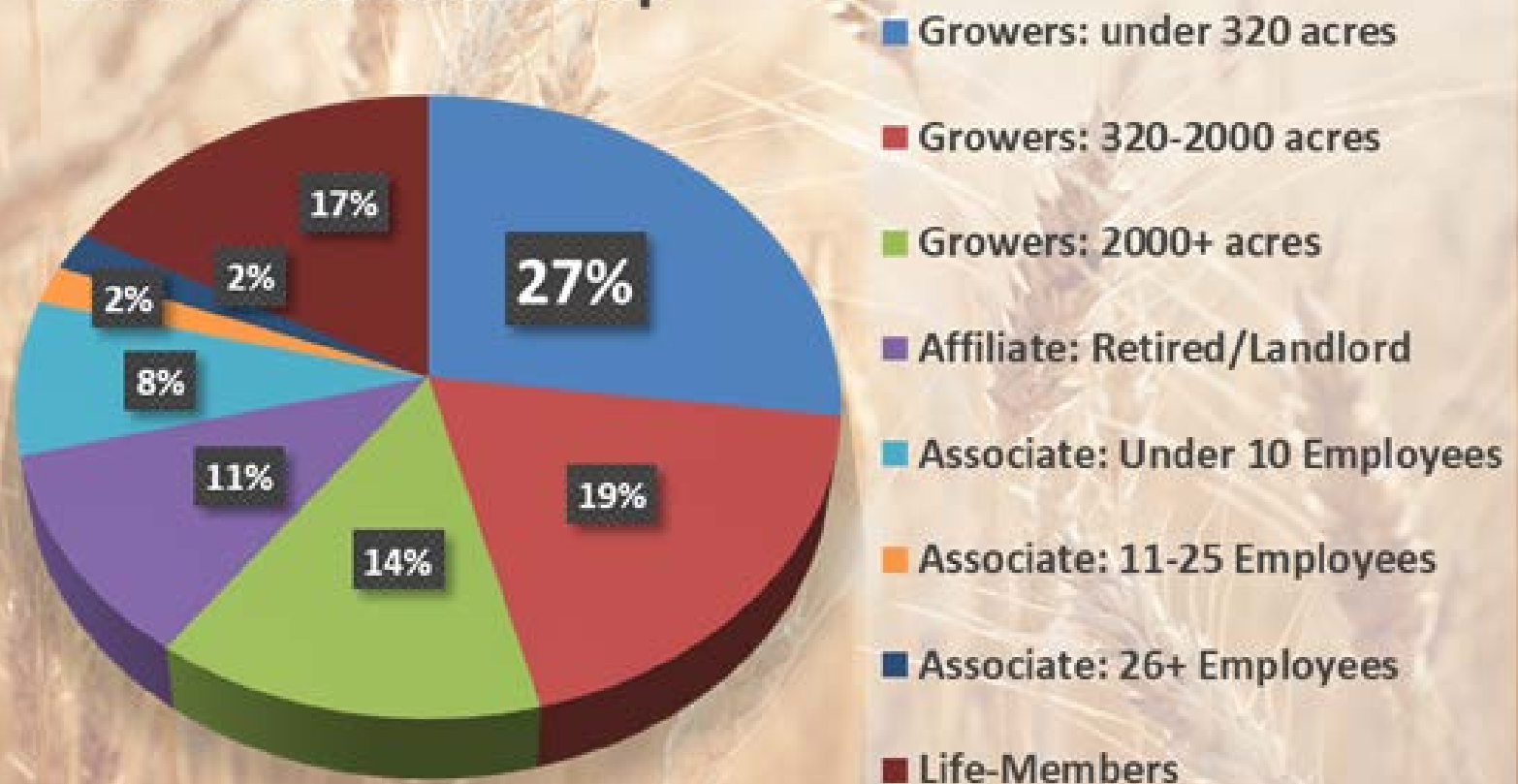
Members continue to benefit from ongoing programs such as the SAIF discount program, supervised fuels, hotel discounts, group rates and more! We continue to work for our members to offer new ways to increase their valued membership with OWGL.

Membership dues payments are more important than ever in advocacy in Salem and Washington DC. 🇺🇸

## Advocate (n):

An individual or group that is passionate in supporting agriculture and speaks of its benefits and challenges, as well as builds a sense of community around those who are interested to learn more about ag.

## 2019-20 Membership



# Financial

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*Overall, OWGL ended the year in a better position than expected with net income of more than \$12,500 (vs. a projected budgeted loss of approximately \$10,300).*

## Income

**Membership Growth:**  
Membership Dues increased over last fiscal year by \$2,850.

**Accounts Receivable:**  
All aged Receivables were addressed, including accounts going back 2+ years.

## Expense

**Personnel:** OWGL's largest expense was personnel costs, which included the cross-over of the CEO this year and payout of the prior CEO expenses.

**Operational:** Key investments in maintenance of the building and the second half of the payment for the website project in FY 18-19. Both created budget line overruns but represent investments in the long-term future of the League.

**Savings:** Implemented cost controls, including annual insurance reviews, which resulted in significant annual savings. 🏆

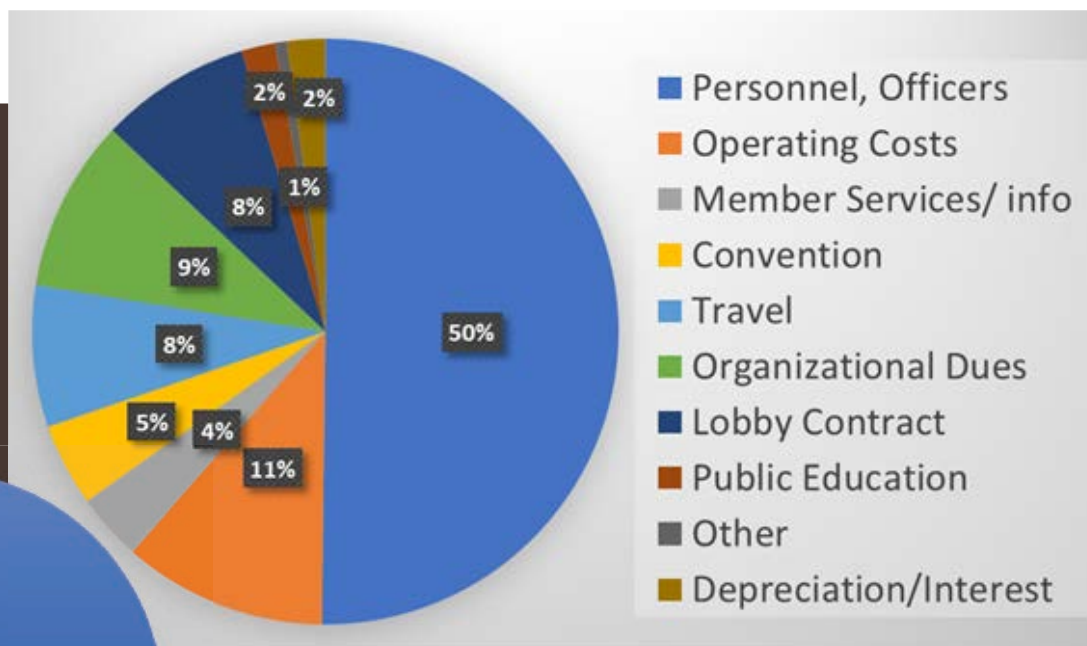
### COUNTY FUNDS

### DIVIDEND, LOYALTY & REIMBURSEMENT

### MEMBER DUES

### CONTRACTED SERVICES

Income





### 2020 LEGISLATIVE SESSION

Tensions were high from the first day of the 35-day short session, as lawmakers on both sides of the aisle returned to the Capitol still vividly remembering the Senate walkout that occurred just six months earlier during the 2019 Session. The number of bills is limited in short sessions, but that did not stop lawmakers from setting forth a hefty policy agenda including the reintroduction of a Cap and Trade proposal and attacks on our grower toolbox. In late February, Republicans made good on their promise to deny quorum after the Governor and Democrat leadership refused to include a referral to voters in the Cap and Trade proposal. Without Republicans present, the Speaker of the House and Senate President did not have enough members to meet quorum requirements.

Ultimately, both chambers adjourned session early – having only passed three bills (none of which were substantive or impactful to Oregon agriculture).

While no agriculture related bills made it to the Governor's desk, many concepts were debated and advanced out of committee – and are expected to be taken up again in 2021.

### CAP AND TRADE EXECUTIVE ORDER

In response to the legislature's failure to pass climate change legislation during the session, Governor Brown signed Executive Order 20-04 directing 16 state agencies to take actions to reduce and regulate greenhouse gas emissions – essentially Cap and Trade without the "trade" via Executive Order. OWGL worked with a broad group of stakeholders to submit a letter to Governor Brown requesting a suspension of the order due to the impacts of COVID-19 on Oregon businesses. Unfortunately, our request was denied and in May state agencies began to submit their implementation plans to the Governor's office for review. We will continue to monitor implementation by all agencies which we anticipate will continue through 2021.

### 2020 INTERIM

The 2020 interim has been unlike anything we have experienced before. Typically, after a Short Session our policy efforts slow down and make way for elections. New laws go into effect and we begin participating in rule making and interim work groups. However, within two weeks of adjournment COVID-19 hit the state and our lobby efforts dramatically shifted in response. OWGL has spent the majority of the last four months of the fiscal year managing COVID-19 response and preparing for multiple Emergency Board Committee meetings and legislative special sessions.



## THE 1ST SPECIAL SESSION

Negotiations over the First Special Session began as soon as the final 2020 session gavel dropped. OWGL worked alongside our agricultural partners to position our priority legislation, critical changes to the Corporate Activity Tax for agriculture, to be included on the short list of concepts for the session. After weeks of virtual lobbying efforts, the bill passed with strong bipartisan support – a monumental win for agriculture.

*Agriculture specific changes include:*

- Exemption of crop insurance policy payments from receipts required to be reported/calculated in your gross receipts.
- Allowance for an alternative definition of "cost inputs" for certain farm businesses; and allows farmers to either: Receive a certificate detailing the portion of their product that is exported; or Apply an industry average to estimate exports of products.
- Exemption of certain sales by dairy farmers that are not organized as co-ops.
- Clarified the 35% subtraction calculation and apportionment factor, reduced penalties to 5%, and extended the 80% threshold for quarterly payments through tax year 2021.

## THE 2ND SPECIAL SESSION

The Second Special Session wrapped up in one long, single mid-August day. The House and Senate Chambers convened at 8AM and the final gavel fell just after 11PM. Two Committees were formed – one to tackle the budget bills and one to tackle policy. 12 bills were passed in total, largely focused on the task of balancing the budget and making necessary transfers from reserves. While no agricultural related bills were considered, the legislature did approve a 2.5% reduction to the Oregon State University (OSU) Statewide Public Service Programs, which includes a decrease in state support for the Agricultural Experiment Station, OSU Extension Services, and the Forest Research Laboratory. OWGL intends to advocate for restored funding to these programs in the 2021 Session.

## COVID-19 RELIEF EFFORTS

OWGL, as part of the ag community, continues to work closely with the Governor's office, Oregon OSHA, and the Department of Agriculture on COVID-19 response and relief. The agricultural community successfully advocated for financial assistance for ranchers and farmers who were negatively impacted by OR-OSHA's temporary rule, leading to the disbursement of 1 million KN95 masks and 5,000 gallons of hand sanitizer at no cost to producers. Additionally, we have worked with the broader employer community to ensure that federal coronavirus relief would not be subject to state taxation. As a result, the Department of Revenue provided clear guidance that certain federal assistance to businesses under the Economic Security (CARES) Act is not commercial activity under Oregon statute and will not be subject to the Corporate Activity Tax. This includes any forgiven Paycheck Protection Program loans, Economic Injury Disaster Loan advances, and Small Business Administration loan subsidies.

## 2020 ELECTION

2020 is a critical election year in Oregon. Voters will see a full ballot with three statewide offices (Attorney General, Secretary of State, and Treasurer), 18 members of the Senate, and all 60 House members up for re-election. Democrats have their eyes set on gaining a quorum majority in both the House and Senate, which would give them the power to pass legislation without members of the minority party present – something Republicans have used in the past two sessions to stop Cap and Trade legislation. Alternatively, Republicans have a rare opportunity this cycle to win back a few key “swing seats” that have been occupied by moderate democrats due to retirements.

Additionally, voters will see four ballot measures on the General Election ballot: Campaign Finance Limits, Tobacco and E-Cigarette Tax Increase, Drug Decriminalization and Addiction Treatment, and Psilocybin Services Program.

## 2021 SESSION

The 2021 Legislature will convene in mid-January and run through June. Bill introductions are unlimited in six-month sessions and OWGL anticipates seeing a number of bills that threaten the grower toolbox, including a reintroduction of the Chlorpyrifos ban, attempts to ban aerial spray applications, and proposed restrictions on neonicotinoid use.

Legislators will also be faced with at least a \$3.5 Billion budget gap for the 2021-23 biennium – and they will be looking for creative ways to fill it. OWGL will continue to engage in budget conversations in an effort to ensure that the much-needed increase in state revenue does not come at a cost to Oregon farmers and ranchers.



Photo by Gavin Newton



Photo by Kathy McCullough

# ther Oregon Wheat entity highlights

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## Oregon Wheat Foundation

Dale Case, Chair

While the Foundation was unable to hold one of its primary fundraising events - the annual golf tournament - sound financial investments and contributions from wheat industry leaders allowed the Foundation to continue to support the following:

- Awarding nine scholarships to qualifying high school seniors: Riley Brewer, Clairia Goracke, Juan Huerta-Hernandez, Kaylie Melville, Matthew Orem, Macy Rosselle, Kaitlyn Schumacher, Kairon Smith, and Michelle Williams.
- Sponsoring a wheat grower in the Future Leaders of Ag Program to travel to Washington DC with OWGL and become acquainted with the policy and legislative process.
- Extending a lease on property to OSU for the Pendleton Ag Research Station.
- Contributing to Farmers Ending Hunger through the Bushels for Betsy program.



## Oregon Wheat PAC

Craig Reeder, Chair

OREGON  
WHEAT  
PAC

By making it easier to contribute to the Oregon WheatPAC, we have increased the resources available to support candidates who work with us to protect and support our industry. OWGL grower members will recognize the \$25 pre-set voluntary contribution amount included with their dues assessment. This voluntary contribution is a suggested amount and can be increased or decreased at the members discretion.

With funds donated to the PAC, we contributed to a range of candidates in state elections this year, focusing resources to ensure our voice and interests are communicated across the political spectrum. Funds through the PAC help get those elected who will support our industry and make a difference in the future.



# Your Dues at Work

- **Advocating for Trade Agreements** - Advocacy for the negotiation of key trade agreements was central to the year with approximately 40% of US wheat exports covered by three agreements shaped and implemented during the year.
  - Japan Bilateral Agreement
  - US-China Phase 1 Deal
  - US Mexico Canada Agreement (USCMA)
  - Lifting of Barrier of PNW Wheat Imports to Kenya
  - Additional trade talks with UK, India, Vietnam and others
- **Protecting the Farmer's Toolbox** - Support for the Farmer's Toolbox with advocacy on proposed pesticide regulations and promoting BMPs.
- **Preserving Transportation** - Direct support to maintain critical infrastructure along the Columbia Snake River System.
- **Investing to Research** - Success in securing \$2 million in continued funding for dryland wheat research.
- **Addressing Agency Issues** - Worked with our national organization on a number of agency issues, including implementation of options outlined in the Farm Bill.
- **Ensuring CAT Agriculture Fixes** - Worked with Legislators and coalition members over the past two years to mitigate further harm to farm and ranch families.
- **Advocating for Wheat Interests** - State advocacy on all issues impacting wheat growers in 2019 Oregon Legislative Session.
- **Building Outreach Efforts** - Continued efforts growing our voice across social media, increased website traffic, and public education.

## Social Media Reach

Reach is the total number of people who see our content across Facebook, Instagram and Twitter. Think of reach as the number of unique people who see OWGL content.

Reach in FY:

# 869,344

