



Testimony of Sam Hoenig, President of The Negev Foundation

Senate General Government and Agency Review Committee

Chairman Schuring, Vice Chair Rulli, Ranking Member O'Brien, and members of the Senate General Government and Agency Review Committee, thank you for the opportunity to provide testimony on House Bill 166. My name is Sam Hoenig and I am the President of the Negev Foundation. I am here today in support of an amendment to the operating budget that increases funding for the Ohio-Israel Agriculture and Clean-Tech Initiative (OIACI) of the Negev Foundation.

The OIACI initiative promotes trade opportunities, boosts business attraction, and facilitates technology transfer between Ohio and Israel in the agriculture, food, and Clean-Tech water industries. The OIACI has been successfully operating within these sectors for over 15 years and has tracked more than \$92 million in direct trade revenue. Currently, the OIACI is the only state-specific organization of its kind in the entire United States. The initiative presents an extraordinary opportunity for Ohio to build relationships with a world leader in agriculture and water technology.

The goal of the OIACI initiative is to positively impact Ohio's economy, environment, and communities through the facilitation of trade, business attraction, tech transfer, education, and demonstrations between Israel and Ohio. Our process involves defining issues within a community, educating professionals on potential solutions, then implementing pilot programs and trials to connect Israeli institutions with interested Ohio entities. OIACI programs have supported Ohio's agricultural growth for over a decade, and are now expanding to include water and clean-tech. A few examples of our work include:

- A joint venture between Israel's third largest cheese producer, Gad Dairy, and Ohio's Troyer Specialty Foods near Millersburg to create Ezra's Dairy, which produces feta cheese for distribution nationwide
- Partnering with OSU South Centers at Piketon to research and develop 16 revolutionary drip irrigation water systems that have transformed how Ohio's farmers approach agricultural irrigation and fertilization management
- Combatting harmful algal blooms with floating biocides developed by Israel's BlueGreen Water Technologies in partnership with Ohio distributors and universities

With increasing concerns about food safety, algal blooms, water infrastructure, and ecological health, there is significant potential for many Israeli technologies, including those aforementioned, to positively impact our State and the United States.

In order to appropriately address these concerns, the OIACI once again requests funding in the state budget for this important trade collaboration between Ohio and Israel. The specifics of our request are as follows:

- \$500,000 in funding from the State of Ohio; \$250,000/year for Fiscal Year 2020 & 2021 to support continuation and expansion of the OIACI program.
- The State of Ohio has provided direct funding to OIACI through the biennial budget process for 14 years, with the last six years being funded through the Development Services Agency
- Funding has been explicitly approved through state agencies for support of agricultural and water technology initiatives in compliance with JLEC standards

The OIACI is working to make Ohio the leader in cutting-edge agriculture and clean water technologies, with the goal of creating a positive impact on Ohio's economy, environment, and communities. I respectfully request that the committee support our amendment and continue to fund this transformative initiative. I welcome further opportunities to work with the committee and thank you in advance for your consideration. I would be happy to answer any questions at this time.

Letters of Endorsement have been received from the following entities:

- S.A.E. Afikim (Afimilk)
- Bluegreen Water Technologies
- Bunker Hill Cheese
- Groundwork BioAg
- Netafim
- Ricerca
- Appalachian Partnership for Economic Growth
- Braintree Business Development Center
- Ohio Department of Agriculture
- Ohio Soybean Council
- Ohio Lake Erie Commission
- OSU Extension - Beef
- OSU Extension - Horticulture
- Southern Ohio Agricultural & Community Development Foundation
- Toledo Regional Growth Partnership
- Youngstown Warren Regional Chamber

Ohio-Israel Agricultural Initiative (OIAI) of The Negev Foundation

FY2017/2019 Activities Plan & Deliverables

Background

The OIAI was formed to identify new markets and enhance trade opportunities, identify and expedite the transfer of agricultural technology, and otherwise facilitate cooperation between Ohio and Israel in the agriculture and food industries. Through the successful achievement of these objectives the OIAI has evolved to recognize the 21st century demands of these growing sectors, and over the past two years has taken the initiative to also investigate, identify, and vet Cleantech solutions that will work to meet Ohio's needs.

Mission

Promote Ohio-Israel collaboration to the benefit of both regions in agriculture, food and Cleantech through trade, business relationships, R&D, technology transfer, demonstrations and education.

Industries of Interest

1. **Agriculture**, including crops, horticulture, floriculture, cattle and dairy, and aquaculture
2. **Food**, including packaged foods, produce, and specialty certifications such as Kosher
3. **Cleantech**, an industry of clean technology including water and wastewater management with an emphasis on fresh water restoration and protection

Goals

Within the industries defined above:

1. Strengthen trade and business relationships between Israel and Ohio
 - a. Assist Ohio companies interested in exporting to Israel to explore the Israeli market and help those in the early stages of export to Israel increase their exports
 - b. Support Israeli companies interested in entering the U.S. market by attracting them to Ohio, looking for potential Ohio importers, distributors, partners, joint ventures, warehouses, logistics centers, and manufacturing. Maintain assistance to those Israeli companies that have already visited Ohio and/or established presence in Ohio
2. Facilitate R&D partnerships between Ohio and Israel businesses and educational institutions
3. Promote Israeli and Ohio businesses at professional events, tradeshow, and conferences
4. Provide opportunities for Ohio and Israeli professionals in the public and private sectors to have first-hand experiences with leading technologies produced in both regions through international professional development missions

Objectives & Deliverables

The OIAI operates as a facilitator between businesses, educational institutions, professionals, and others in Ohio and Israel within the fields of agriculture, food, and Cleantech. Due to the nature of our role as a third party, we do not have direct access to economic data of the institutions and individuals we work with and therefore are not able to provide internal projections of the direct economic impact of the programs and services we provide to them. Therefore, all projections listed in this section are based on feedback and data we have been provided by institutions and individuals who have participated in the OIAI's programs and services over the past two years.

Further, while the OIAI operates within the sectors of agriculture, food, and Cleantech, our activities, goals, and objectives within each of these sectors vary slightly. Our work in agriculture and food has a focus on trade/exports, economic development, and business attraction and as a result, it is possible for institutions and individuals to provide the OIAI with more economic feedback in these areas. The Cleantech program was initiated after a mission to Israel carried out at the request of the Ohio legislature to explore solutions to Ohio's Cleantech needs in the areas of water and wastewater management. Because the OIAI's activities in the Cleantech sector have a focus on assessing needs and potential solutions, feedback is less likely to include specific economic perceptions of the institutions and individuals we work with.

The OIAI's strategy to facilitate exchange between Israel and Ohio in the agricultural, food, and Cleantech sectors utilizes a variety of approaches to ensure that needs are met:

Individual,

which consists of working with individuals, companies, and small professional groups to connect them with suitable trade partners and navigate logistical hurdles. This "fluent facilitation" gives Ohio businesses an incredible advantage in the Israeli market.

One-on-One meetings with Ohio and Israeli professionals in regard to their respective interests in trade and business development, emphasizing Ohio export to Israel and business attraction to Ohio.

Deliverables: Communications with Ohio and Israeli businesses will continue in the agricultural, food, and Cleantech sectors. Additionally, the OIAI will administer follow-up surveys to the businesses we work with in FY 17-19 to document the perceived impact of such meetings for the ODSA's assessment. Based on feedback received from individuals and companies the OIAI has worked with on an individual basis, we project a sales and export impact of \$350,000 in FY 2018.

Site Visits by the OIAI Program Director to Ohio companies to gain a comprehensive understanding of their evolving needs in the agricultural, food, and Cleantech sectors; when applicable, present to them Israeli technologies that may address their specific needs. Additionally, assist Israeli companies interested in exploring the US market to find opportunities in Ohio and assist Ohio companies interested in exploring the international market to find opportunities in Israel.

Deliverables: At minimum, 5 visits with Ohio and Israeli companies per year to stay up to date on evolving industry opportunities and connect those companies with potential trade partners, set up B2B and other

meetings between Israeli and Ohio companies, as well as other visits for professionals between these regions to tour professional sites and other facilities as requested.

Professional Assistance to Ohio and Israeli buyers and sales representatives.

Deliverables: assist professionals in planning trips and arranging meetings between regions.

Proactive,

which advocates trade between Ohio and Israel through industry trade show promotion and education through workshops, symposia, and seminars. These proactive measures ensure that Ohio business owners and industry professionals have access to the most up to date innovations and are promoted through international representation and networking.

Professional Events which involve senior OIAI staff attending and/or participating in tradeshow and other professional events such as conferences and showcases for the purposes of staying up-to-date on industry trends, fact-finding to aid in the OIAI's role as facilitator between Ohio and Israel entities, and promotion of such entities in both regions.

Deliverables: Attend conferences, tradeshow, and showcases in Ohio and Israel such as Cultivate, Farm Science Review, Ohio Produce Growers and Marketers Association, Ohio Aquaculture Association, Ohio Farm Bureau Federation, CENTS, Ohio Food Industry Expo, Cleveland Water Alliance conference, Akron Global Water Alliance conference, and regional workshops and seminars in Ohio. Potential Israeli exhibitions and conferences include Watec, Cleantech, IsraFood, AgroMashov and AgriTech in Israel. Promote Ohio and Israeli companies respectively, and the OIAI's current and future project.

Educational Workshops and Seminars which can be organized with the assistance of Ohio organizations such as the Ohio Development Services Agency (ODSA) and Ohio Department of Agriculture (ODA). These professional development events will invite industry experts, including Israeli professionals and representatives of Israeli companies, to inform and educate Ohioans on topics such as trade with Israel, kosher certification and marketing, horticultural technologies, and Cleantech.

Deliverables:

- Plan and present 2 Kosher certification and marketing workshops in 2017 to take place in Cleveland and Columbus Ohio for Ohio food manufacturers that already have Kosher certification and for those that do not
- Work with OSU to invite Israeli company representatives to participate in and present during 3 technical training events at OSU Extension Ag workshops at OSU South centers
- Plan and execute 1 workshop regarding the Israeli market and kosher certification in October 2017
- Design and administer post-workshop/seminar surveys to document participants' perceived value of such workshops and seminars

Collaborative,

which facilitates research partnerships, information sharing, and business relationships between Israeli and Ohio agricultural, food, and Cleantech institutions. In this strategy the OIAI takes advantage of the speed, simplicity, and low cost of global communication by serving as a crucial conduit. To date, the collaboration between Israel and Ohio has had positive, measurable impacts, including facilitating a joint venture between Israeli and Ohio companies that resulted in U.S. sales totaling approximately \$230,000 in last year alone and creating 12 Ohio jobs since the joint venture was established. The Joint Venture is valued at \$600,000 and is growing.

Support for Ohio Development Services Agency Office of Export Assistance by working in collaboration with ODSA's Office of Export Assistance, serve as a resource to ODSA by assisting with needs of companies which are referred to the Initiative by ODSA, as well as help ODSA's Office of Export Assistance in their recruitment of Ohio companies for events of mutual interest between Israel and Ohio (e.g., food export workshops, buyers' mission), attend events, and assist Israelis coming to Ohio for these events (e.g., Israeli food buyers).

Deliverables: As requested by the ODSA office of Export Assistance, aid in learning about needs and potential opportunities to export to Israel for specific Ohio companies. Additionally, help in publicizing ODSA events with a focus on agriculture, food, and Cleantech and provide feedback to the ODSA for the potential formation of other Ohio-international organizations with a focus in these areas.

Demonstrations of Ohio and Israeli Technologies and Products

- Continue to collaborate with the OSU South Centers horticulture demonstration unit, which was established by OIAI and OSU Extension to display the products of Israeli agribusinesses. Current activities include the demonstration of drip irrigation, fertigation and horticulture technologies, showcasing 13 Israeli agribusinesses. Assist in the expansion of field trial demonstrations. Support workshops and training of Ohio farmers at the facility.
- Continue supporting other Ohio demonstrations of Israeli companies technologies such as Afimilk (milking parlor technologies), Agam (dehumidifiers for greenhouse systems), Groundwork BioAg Ltd. (crop and produce yield improvement by using mycorrhizal inoculants), and BT9 (real-time monitoring of food safety in the cold chain supply), in collaboration with other Ohio organizations such as OSU, framers and growers.
- Continue to facilitate testing of Ohio products in Israel such as Ohio's MetaMateria which is a substrate that can be used in wastewater treatment facilities

Deliverables: Continue 5 ongoing demonstrations including one evolving demonstration with OSU South Centers which exposes Ohio farmers to advanced Israeli Ag technologies by enabling maintaining current Israeli systems that are showcased on site and adding new ones. As needed, assist with existing Israeli technology demonstrations of Afimilk, Agam, Groundwork, and BT9.

Trade, Education, and Professional Development Missions where the OIAI organizes industry-specific missions that are open to Ohio professionals working in agriculture, food, and Cleantech, government, and other fields. The purpose of these missions is to provide the opportunity to form trade relationships, network, access professional development and education, and gain industry knowledge. Such missions planned for FY 2018 include:

- Cleantech Mission to Israel (Sept. 2017)
- Cattle Genetics Mission to Israel (Sept. 2017)

- Ohio Legislators Fact-Finding Mission to Israel (Nov. 2017)
- AgriTech Agricultural Mission (May 2018)

Additionally, the OIAI will assist the Office of Export Assistance of the ODSA and other interested Ohio organizations plan and facilitate other trade missions to Israel.

Deliverables:

- Actively plan or assist in planning at minimum 1 mission per year; examples in FY 2017 include:
 - Cleantech Mission to Israel (Sept. 2017) – the OIAI is currently working on the logistics of the mission.
 - Cattle Genetics Mission to Israel (Sept. 2017) – This delegation is led by Ohio’s Larry Baker to include OSU experts on cattle nutrition and meat, and will offer training to Israeli cattle ranchers in these topics.
 - Ohio Legislators Fact-Finding Mission to Israel (Nov. 2017) – the OIAI will assist in the logistics and planning of the mission and participate.
 - AgriTech 2018 - The OIAI will assist Ohioans (individuals or a delegation) that are interested in exploring trade and Ag opportunities and attending in the logistics of participating in the event, and possibly participate.
- If the ODSA or any other Ohio agency/organization is interested in going to a trade or educational mission to Israel to include the sectors the OIAI focuses on, the OIAI will help with the planning and logistics.
- Compile a trip summary document to be shared with the ODSA. This summary will include any perceived economic impact collected from the participants via surveys.

R&D Support by directing public and private entities with an interest in collaborative R&D to potential funding sources in key industries of interest.

Deliverables: Depending on R&D interest of Ohio and Israeli groups such as OSU School of Agriculture and OARDC (Ohio Agricultural R&D Center), the OIAI will assist in identifying and directing them to potential funding sources such as BARD (US-Israel Binational Agricultural Research and Development Fund), the BIRD Foundation (Israel-U.S. Binational Industrial Research and Development Foundation), and the USDA. In the past, OIAI had directed OSU researchers to funding sources (BARD) resulting in the researchers involved getting \$660,000 for their research.

Reporting to the ODSA

In addition to surveys and other data collection and reporting referenced above, the OIAI will:

- Continue to track activities, sales, and exports of entities participating in our programs and other offerings; this information will be used to assess the current perceived value and report potential future value of our operations to the ODSA
- Submit a copy of the OIAI Annual Report to the ODSA

OIAI & CLEANTECH BUDGET NARRATIVE

SCOPE OF WORK FY2017-2018

A. SENIOR STAFF

OIAI

Sam Hoenig, the Foundation's president, will spend 40% of his time on this project. He will earn \$731.92/week for time spent on this project. His total salary for time spent on the Initiative will equal \$38,060. His fringe benefits are calculated at \$5,000 for a total of \$43,060.

Dr. Sarah Horowitz, Program Director will spend 80% of her full time at \$3,916.67/month which will equal \$47,000. Her fringe benefits are calculated \$6,000 for a total of \$53,000.

OIAI TOTAL REQUEST: \$96,060

CLEANTECH

Dr. Sarah Horowitz, Program Director will spend 20% of her full time work on CleanTech at \$333.33/month which will equal \$4,000. Her fringe benefits are calculated \$2,000 for a total of \$6,000.

CLEANTECH TOTAL REQUEST: \$6,000

A. TOTAL REQUEST: \$102,060

B. OTHER PERSONEL

OIAI

Jan Markulin, the Negev Foundation's Administrative Supervisor, will devote 33 hours of her full-time 40 hour a week position to this project, at her current hourly rate of \$16.50/hour which will equal \$28,314. Her fringe benefits are calculated at \$7,070 for a total of \$35,384. Her duties will include the following:

- Oversight of all administrative activities including:
 - Project staff supervision
 - Scheduling and facilitating meetings, conference calls, workshops and travel arrangements.
 - Negotiating all contracts and details with workshop vendors including registrations, rentals, labor, travel, and accommodations.
 - All logistics involved with workshops, trade shows, events and meetings including purchasing materials and supplies and tracking budgets for each workshop and meeting.
 - Maintaining project data bases and logs, oversight of expense reports and financials related to each mission and workshop.

- Logistics related to travel arrangements, i.e. air, auto rental, directions and accommodations.
- Reviewing and responding to emails and other communications.

Sarah Nassiri, Senior Program Coordinator, will work 12 hrs/week @52 weeks @\$22 hr for OIAI for a total of \$13,728. Duties include:

- Program Development
 - Work in collaboration with senior staff to create program mission, goals, objectives, and budget
 - Work in collaboration with senior staff to develop and carry out programs and professional development missions within the OIAI Ag Program
 - Work in collaboration with the Program Director to monitor Ohio’s evolving OIAI Ag needs and adjust program goals accordingly
- Promotional & Informational Materials
 - Create electronic and print promotional and informational materials for programs and professional development missions
 - Work in collaboration with web developer to maintain & update website and social media accounts
- Communications
 - Assist in communications with program participants and funders regarding program status, program participation, etc.
 - Assist in communications with collaborating entities such as businesses, educational institutions, and non-profits
- Funding
 - Draft grant and other funding proposals
 - Create project progress reports & other funder updates

The Program Research Assistant will assist Dr. Horowitz and Ms. Nassiri with program development, research, website development and communications through social media. She will work 20 hrs/week @\$15/hr for 38 weeks for a total of \$11,400

OIAI TOTAL REQUEST: \$60,512

CLEANTECH

Sarah Nassiri, Senior Program Coordinator, will work 20 hrs/week @52 weeks @\$22 hr for OIAI for a total of \$22,880. Duties include:

- Program Development
 - Work in collaboration with senior staff to create program mission, goals, objectives, and budget
 - Work in collaboration with senior staff to develop and carry out programs and professional development missions within the OIAI Ag Program
 - Work in collaboration with the Program Director to monitor Ohio’s evolving OIAI Ag needs and adjust program goals accordingly
- Promotional & Informational Materials
 - Create electronic and print promotional and informational materials for programs and professional development missions
 - Work in collaboration with web developer to maintain & update website and social media accounts

- Communications
 - Assist in communications with program participants and funders regarding program status, program participation, etc.
 - Assist in communications with collaborating entities such as businesses, educational institutions, and non-profits
- Funding
 - Draft grant and other funding proposals
 - Create project progress reports & other funder updates

CLEANTECH TOTAL REQUEST: 22,880

B. TOTAL REQUEST: \$83,392

TOTAL A. & B.: FY 17-18 SALARY, WAGES AND FRINGE: \$185,452

C. TRAVEL

C.1 DOMESTIC TRAVEL COSTS (INCL. CANADA, MEXICO AND U.S. POSSESSIONS)

OIAI

- 20 one-day trips at 300 miles/trip x \$.54/mile, \$3,240
- 1 two-day trips at \$157/day for day 1 and \$60/day for day 2 per diem: \$217
- Per diem for one day trips @ \$40/trip : \$800

OIAI TOTAL REQUEST: \$4,257

CLEANTECH

- 5 – 1 day trips @ 350 miles/trip x \$.54/mile – Senior Program Coordinator: \$945
- 5 – 1 day trips @350 miles/trip x \$.54/mile – Negev Foundation Senior Staff (Sam Hoenig/Sarah Horowitz): \$945

CLEANTECH TOTAL REQUEST: \$1,890

C.1 TOTAL REQUEST: \$6,147

C.2 FOREIGN TRAVEL COSTS

OIAI

Sarah Horowitz: \$3,340

- 5 nights at \$190/night per diem - \$950
- 5 days at \$178/day per diem - \$890
- Airfare - \$1,500.

Sam Hoenig: \$1,472

- 4 nights at \$190/Hotel - \$760
- 4 days at \$178/day per diem - \$712

OIAI TOTAL REQUEST: \$4,812

C.2 TOTAL REQUEST: \$4,812

TOTAL C.: FY 17-18 FOREIGN & DOMESTIC TRAVEL: \$10,969

D. PROGRAMS AND WORKSHOPS

OIAI

D. OIAI PROGRAMS & WORKSHOPS

Workshops, Tradeshows, Seminars and Extension Service professional related meetings – Registration, space rental, equipment, printed materials, handouts, promotion and advertising, food services, development of audio/visual presentations.

OIAI TOTAL REQUEST: \$2,000

D. TOTAL REQUEST: \$2,000

CLEANTECH

D.1 CLEANTECH LEADERSHIP COUNCIL

- 1 Lunch Meetings (Food and Supplies) 10 members @\$50/member - \$500
- Room Rental @\$300/room - \$300
- AV Rental @\$200/rental - \$200
- Compile & Print Summary @\$500/each - \$500

D.1 Cleantech Workshops, Tradeshows & Seminars - \$3,000

D.1 TOTAL REQUEST: \$4,500

D.2 CLEANTECH DIRECTORY

- Promotional Materials & Printing - \$1,000
- Web Developer for Online Directory - \$1,000

D.2 TOTAL REQUEST: \$2,000

D.3 WEBSITE DEVELOPMENT

- Web Developer for Updates/Includes CT Program - \$2,500

D.3 TOTAL REQUEST: \$2,500

D.4 CLEANTECH SHOWCASES PLANNING (CLEVELAND, TOLEDO, CINCINNATI, COLUMBUS)

- Lunch Meetings (Food and Supplies) – 5 Attendees @\$50/each
- Professional Planning Services \$2,500

D.4 TOTAL REQUESTED: \$3,500

CLEANTECH TOTAL REQUEST: \$15,500

TOTAL D.: FY 17-18 PROGRAMS & WORKSHOPS: \$17,500

TOTAL REQUESTED FUNDS FOR DIRECT COSTS: \$213,921

E. INDIRECT COSTS

E.1 OIAI

The OIAI is requesting 20%, as per our U.S. Government negotiated indirect costs rate agreement (of direct expenses) = \$33,076.

OIAI TOTAL REQUEST: \$33,076

E.2 CLEANTECH

CleanTech is requesting 20%, as per our U.S. Government negotiated indirect costs rate agreement (of direct expense) = \$8,306.

CLEANTECH TOTAL REQUEST: \$8,306

TOTAL E.: INDIRECT COSTS: \$41,382

TOTAL DIRECT AND INDIRECT COSTS: \$250,000

