



*Working together for Ohio farmers to advance
agriculture and strengthen our communities.*

**Senate Finance Committee
HB 33 Interested Party Testimony
Evan Callicoa, Director of State Policy
May 18, 2023**

Chairman Dolan, Vice Chair Cirino, Ranking Member Sykes, and members of the Senate Finance Committee, thank you for the opportunity to submit comments regarding HB 33. This testimony is the same that we gave to the Senate Agriculture and Natural Resources Committee on May 3rd, but we wanted to be sure that all members of the Finance Committee were aware of our budget priorities as well. The 2024-2025 Operating Budget includes many opportunities to help agriculture in Ohio continue to be the economic driver that it is today. We would like to highlight our support for the funding in the budget that promotes Ohio agriculture and strengthens our rural communities.

Ohio Department of Agriculture

The Ohio Department of Agriculture plays an important role in ensuring Ohio farmers can provide consumers safe and wholesome food. The department's role in providing thorough and efficient inspection services for Ohio's dairy, meat and poultry producers, detecting and preventing animal disease outbreaks, protecting soil and water and preserving farmland are critical to our industry. ODA's general funding increase reflects the myriad of duties they are required to perform. It is imperative that the department have the resources they need to support Ohio's number one industry.

Ohio Expo Commission

The Ohio Expo Center and the Ohio State Fair provide for one of the best opportunities for rural-urban interface that our state has to offer. We applaud Gov. DeWine's commitment to the state fair through his work to establish the Expo 2050 Task Force. The goal of the task force is to develop a strategic vision for the 360-acre Ohio Expo Center property, and the \$190 million in the budget is imperative to accomplishing this goal. Those dollars will be used to support the Ohio Expo 2050 master plan established by the task force, which includes construction, modernization, and renovation of several buildings and other initiatives to bring this vital resource into the future.

H2Ohio and Water Quality

Through the continued leadership of Gov. DeWine and the members of the General Assembly, the H2Ohio program has been instrumental in helping farmers keep nutrients on their fields and out of our waterways. To encourage participation in H2Ohio, the agriculture community, university researchers, soil and water districts, conservation, and environmental groups formed the Ohio Agricultural Conservation Initiative (OACI). As a result, over 2,000 farmers in the Western Lake Erie Basin have enrolled in H2Ohio. Through OACI's certification program,



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farmer's conservation practices are evaluated and proposed practices are reviewed to ensure promised completion to obtain funding.

Investment in farmer best management practices has been a huge success and is showing results. Over 1.5 million acres in the Western Lake Erie Basin are now managed by farmers through voluntary nutrient management plans (VNMP's) that help reduce the phosphorus load going into Lake Erie. Compared to 2001, the median soil test phosphorus levels have dropped 32%. While we are optimistic that this trend will continue, it can only do so with the continuation of the technical and financial support provided to Ohio's farmers through the H2Ohio Initiative.

Workforce and Agricultural Education

Ensuring that our youth have access to the best educational opportunities is essential to prepare them to be a successful part of Ohio's workforce. Agricultural education and career tech are an integral part of those opportunities. HB 33 contains numerous appropriations that invest critical resources to help our students realize their full potential. This budget includes important investments in Ohio State Extension programs, career-technical education programs and equipment, additional funding for programs that support teachers to spend time outside of the classroom working with students on real world learning projects and support for the new Multi-Species Animal Learning Center at Ohio State's College of Food, Agricultural and Environmental Sciences.

Farmland Preservation

Preserving Ohio's farmland has been and will always be a priority issue for the Ohio Farm Bureau. Farmland has come under increasing threat from a multitude of development pressures in recent years. According to the American Farmland Trust, if recent trends continue, more than 500,000 acres of Ohio's farmland will be paved over, fragmented, or converted to uses that jeopardize agriculture by 2040.

Programs like the CleanOhio Farmland Preservation program and the Brownfield Remediation program, represent smart-growth policies that allow for development to continue to come to Ohio while preserving land for agricultural production. Through voluntary easements, acres in the Farmland Preservation program represent a commitment to keeping land in agricultural production. Unfortunately, the House-passed version of the budget cuts funding for farmland easements while creating new funding for projects that incentivize development sprawl.

For example, the current provisions in the All Ohio Future Fund would allow public utilities, electric cooperatives, and municipal electric utilities to take advantage of these funds for "land acquisition costs." These costs, as the bill is currently written, would include helping fund eminent domain costs for such entities. While we encourage these entities to work with landowners on private agreements, if eminent domain becomes necessary, we oppose the use of state funds to subsidize these costs. Finding a compromise that promotes Ohio's economic future



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as well as the heritage and health of its number one industry should always be a priority, not only in this budget, but in everything we do.

Economy and Supply Chain

Ohio Farm Bureau appreciates the legislature's continued focus on tax reform. Agriculture and the state's overall economy has benefited from the continued and steady progress made over the last decade to lower Ohio's tax burden. We agree this provides real economic benefits for all Ohioans. We welcome the income tax reductions included in the House-passed budget. Many of our members who have organized their small businesses as pass-through entities achieve greater economic competitiveness when income taxes are lowered.

The budget should also make investments in our supply chains. One way to create better resilience in our food supply chains is to support enhanced food processing capacity here in Ohio. A highly successful effort has been initiated around the Meat Processing Investment Program. This program has provided small meat processors capital investments to upgrade equipment and facilities, as well as train new employees. We applaud the House for allocating \$14 million to this vital program so that it may continue to help expand processing capacity.

There is more work that can be done in this space. Dairy producers for one believe that our state's dairy inspection fee regimen creates a competitive disadvantage. Surrounding states have much smaller fees or none at all. We urge you to consider funding support in the budget to put Ohio on par with surrounding states so that dairy processing companies can be recruited to come to the Buckeye State.

We appreciate the continued support policymakers provide our state's number one industry. We look forward to a continued partnership to promote agriculture in the future.



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Ohio Farm Bureau Budget Priorities - May 1, 2023

Ohio Department of Agriculture

- We support the House passed funding level for the department's animal health programs which helps provide more staff to respond to large-scale disease outbreaks and response activities
- Restoring Executive Budget proposal funding for Ohio's Soil and Water Districts
- Restoring Executive Budget proposal funding for Farmland Preservation
- Increased support for the department's meat, dairy and poultry inspection services
- We support the elimination of milk processor, producer, and hauler inspection fees and replacing them with GRF dollars to increase the competitiveness of the dairy industry in Ohio.

Ohio Expo Center and County Fairs

- We support the House passed funding level for implementation of the Expo 2050 Master Plan at House passed funding level
- We are concerned that an amendment included in the House budget proposal that requests a study on whether the Ohio State Fair should be relocated is duplicative of efforts already completed by the 2050 Task Force and ask the Senate to remove the provision.
 - The Task Force partnered with the Wellogy Company to evaluate the location and provided a specific recommendation to keep the Expo Center at its current location.
 - This amendment is a needless cost and will only delay progress on the redevelopment of the Expo Center. We request the Senate remove this provision to preserve the history and quality of the Ohio Expo Center and the Ohio State Fair, and invest in its future.

H2Ohio

- Support funding levels at the House passed level
- Modify an earmark included in the House version for a legacy phosphorus study.
 - Earmarking program funding will limit resources needed for projects and program administration at ODA.
 - Creating a separate research line item for a competitively bid study is more appropriate.

Workforce and Agricultural Education

- We support the House-passed 3% increase to all extension services across Ohio, including the Ohio Agricultural Research and Development Center, as well as the same increase for The Ohio State University College of Veterinary Medicine, whose graduates make up more than 80% of Ohio's practicing veterinarians.



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- We support the House passed appropriations of \$100 million to establish or expand career-technical education programs with equipment costs and \$200 million for construction projects that establish or expand career-technical education programs
- We support the House passed provision doubling the “5th quarter” funding for agricultural education teachers to \$1.2 million, which helps these teachers who often spend most of their summers assisting students with hand-on learning experience called Supervised Agricultural Experience’s (SAE’s).
- We support the House-passed appropriation of \$10 million to the Ohio State’s College of Food Agriculture and Environmental Sciences
 - The building, part of a needed modernization of Waterman Farm on the university campus, will provide CFAES students a hands-on learning environment as well as allow K-12 school children and the general public to see the day-to-day workings of modern livestock production.

All Ohio Future Fund

- The Senate should prohibit dollars from this fund being able to be used to help cover costs of eminent domain when utilities are acquiring land for their projects as defined in Chapter 163 of the Ohio Revised Code. This change won’t prevent the funds from being used for private agreements with landowners, but the state should not help subsidize the taking of constitutionally protected private property rights.

Ethanol Retailer Tax Credit.

- We support the House passed provision to create a tax credit on the sale of high ethanol blend motor fuel (between 15-85% ethanol)
 - Enhanced ethanol sales will help Ohioans save at the pump and increase demand for one of our most vital crops.

Taxes

- We support the House provision providing tax relief to everyday Ohioans by combining the lowest two income tax brackets and reducing the rate to 2.75%
- We support the House provisions allowing taxpayers to fully add back their depreciation expenses when calculating their gross income taxes, as compared to the 5/6 of the amount that they are currently allowed to add back under current law. This especially helps our farmers purchasing heavy equipment to improve the efficiency and profitability of their business

Connect4Ohio Fund

- We support the provision and appropriation in the House passed version creating the Connect4Ohio Fund and allocating \$1 billion to the fund. These funds will help provide much needed improvements for rural roads and infrastructure and have a positive impact on all those living in rural communities.

Orphan Wells

- We support the House passed funding to continue to find and plug orphan wells around the state in order to not only protect the public health, but also for the health of the soil and water in the surrounding area as well. Continuing to find and plug these wells



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remains a priority for our members to protect not only their land, but the health of their families and neighbors.