

OKLAHOMA AGRICULTURAL LEADERSHIP PROGRAM

CLASS XVI

Scribe Notes
Seminar 7
April 17 - 19, 2013

Theme “*State Government, Political Party System, and Oklahoma Water Issues*”

April 17, 2013

Scribe: Tracey Payton Miller

Arrive at State Capitol

Senator Eddie Fields

- Mr. Fields has a B.S. in Ag Business and was a member of OALP Class X
- He mentioned most of the artwork in the capitol featured Oklahoma Artists
- Eddie is a third generation rancher from Osage County
- He decided he wanted to give something back; he had been a school board member prior to being elected
- Mr. Fields thinks it is important for agriculture to be represented as <2% of the population is involved in production agriculture
- He hopes to encourage more doctors to serve in rural Oklahoma and he hopes to achieve this by working with OSU-Tulsa, modeling a program after the OU Health Center
- Eddie mentioned the Horse Processing Bill that recently passed, and the passion that some feel towards animals
- Specific questions were asked about: Workers Compensation, HB 1039, Cottage Laws, Agritourism, Drought Relief Assistance, The Sparks Fence Cutting Bill, Income Tax Cuts, and if the budget was in surplus or deficit

Representative Don Armes

- Mr. Armes is a cattleman, and used to be an Agricultural Education Teacher
- “Timing has everything to do with the success of a rain dance.” – Baxter Black
- Don is the current Money Chairman
- He believes you must be active in politics and that legislature is “like a pack of dogs” (strength in numbers)
- Mr. Armes stated, “Things can get really stupid.”
- Don used to be an agricultural broadcaster, during the BSE crisis
- He mentioned social networking and how technology has advanced
- He stated how much he cares about rural Oklahoma
- During his time as a broadcaster, he was told he would affect agriculture more at the capitol than at a news desk -he said this made a huge impact on him
- He uses what he calls “Cowboy Logic” when making decisions
- Don mentioned lobbyists and how they are advocates for issues and a source of information
- “A lobbyist is the person you hire to protect you from the person you elected”

- Many questions were asked of Mr. Armes, including: income tax cuts, education, merit based raises for educators, the Drought Protection Bill, and vouchers for educators
- Mr. Armes is a contributor to the OALP program, OYE, and other Ag programs

Blayne Arthur, Oklahoma Department of Agriculture

- Blayne is the assistant to Secretary Reese
- Mrs. Arthur speaks on behalf of the Department.
- She doesn't get to have an opinion, but she represents the opinion of the Department of Ag, which tries to stay non-biased
- She communicates with several commodity groups and together with the Secretary, they discuss bills and other issues
- Blayne mentioned the recent institution of term limits and the negative effect it has on advocates in the House and Senate
- Mrs. Arthur covered three bills:
 - The Raw Milk Bill – the ability to purchase raw milk. The Department's view is of food safety and pasteurization and how this bill would affect the producer. Part of her job is to get this information to the representatives.
 - HB 1640 – Pork Council Bill – mentioned “Hog Wars.” Changed the hearing process and that only new facilities or valid reasons got a hearing. EPA delegation.
 - Pet Breeders Bill—deals with appropriate space. Will allow HSUS on board (only those members who have been a farmer for 10+ years). There is zero funding to support this bill, and it will take an estimated \$250,000 to put it into effect. Thus, funding will have to be pulled from other areas to support this unfunded mandate.
- Blayne mentioned how the Department of Ag works with feed, seed, and fertilizer, and she mentioned fee increases
- She answered questions concerning the horse slaughter bill and how to keep her personal opinion out of issues

Tommy Thomas, Oklahoma Legislative Group LLC

- Tommy has been around the capitol for 25 years
- He is from Atoka County aka Little Dixie
- He is a democrat
- He started at the capitol on the DHS Budget Committee, and told the story of a woman in the Wrangler Plant in Seminole to get his point across about subsidies to farmers/ranchers
- He urged us to get involved with people in the capitol, and mentioned they affect our today's and tomorrows
- Mr. Thomas stated he had two bad votes in his time at the capitol: he voted for Teachers' Tenure and HB1017
- Tommy also urged us to call and write our Representatives and Senators to make sure they know who we are
- He mentioned his ad in the papers, telling people in his area to call him concerning a certain issue – he was disappointed when he only received six phone calls
- Tommy mentioned the Oklahoma Association of Electric Cooperatives app, where you can click the area of your state, see the house members or representatives in your area of the state, and get their contact information
- Mr. Thomas stated he lobbies for 7-8 groups including: AFR, QHRA, Osage Indians, Dental Hygienists, and the Professional Employers Association
- He is a contract lobbyist 4 months out of the year and a corporate lobbyist 12 months out of the year
- He worked on the Agritourism Bill

- He stated he may wait all day to talk to a dozen people, and that it can be scary trying to catch someone important toward the end of the session
- Tommy spoke about the legislative process; the Senate passes a bill, then it goes to the House which has 101 members (61 of which are in urban areas)
- He mentioned that Democrats will vote Republican if it means votes in the Senate
- Mr. Thomas said, “Stay close to legislators, never tell a lie. It’s okay to say you don’t know.”
- He mentioned those who may spend \$200,000-300,000 on a Senate election campaign, so to send them money, even \$50-100 if you feel compelled. Don’t think of it as a bribe. Because if you don’t, someone else will send money. And they will appreciate and remember you for your contributions.
- Tommy is strictly against term limits, and stated that we voted for it. He explained in a small state like Oklahoma, it does more harm than good to have term limits. You lose experienced people with term limits.
- Questions were answered pertaining to: farm friendly legislators, influence of state government, organizations vs. personal affiliations, Oklahoma vs. Texas comparison on taxes, opposing views of clientele, lobbying specifics, Keepeagle settlement, Tribal Gaming, and dollars spent on the horse slaughter bill

Oklahoma Association of Electric Cooperatives (OAEC)

Chris Meyers, General Manager and CEO

- Chris spoke about who and what the cooperatives are about
- Watched the Purpose Video, about the beginning of the cooperatives and getting electric to rural area
- “Have God in your heart, and electric in your home.”
- The Electric Cooperatives are known for getting electricity to rural areas
- Spoke of the powering economy of oil and gas agriculture
- A cooperative is a not for profit organization, based on the “self-help” model
- The character of a cooperative is a common need, jointly owned, and democratic
- Chris went over the types of electric providers: cooperatives, municipalities, and independently owned utilities (IOU)
- IOU’s include OG&E and PSO—they are for profit entities
- The generation and transmission of power is owned by the cooperatives, and the cooperatives are still regulated
- There are 900 electric cooperatives in the nation, serving 42 million customers
- In 1910, urban areas were electrified. By 1930, <10% of farms had electricity
- FDR was appalled by the standard of living in his retreat in Warm Springs, Georgia
- As part of FDR’s New Deal, he wanted rural areas to have power
- At that time, it took roughly one year of pay to afford electricity. By 1935, you had to pay \$5 just to become a member of the cooperative. This was expensive back then.
- OAEC owns 2.5 million miles of line, more than OG&E and PSO. OAEC owns 12% of the nation’s meters, and employs 70,000 workers.
- Because of density, municipal and IOU’s have more revenue per mile of line than cooperatives
- It is an effort of the cooperatives to keep costs down
- The NRECA can pre pay meters for 20 years
- Touchstone energy is a cooperative brand
- Coal is cheap, accounting for 90% of electric generation
- The emissions with coal is the problem, however they are able to capture 95% of those emissions
- Wind energy is clean, but is has drawbacks, is costly, and is intermittent
- The cooperatives are fuel neutral, as long as they can keep costs low
- Renewable energy is rarely near a load center, not as reliable, and has a high cost and affects the to Lesser Prairie Chicken

- No generation source is perfect

Kenny Sparks, Director of Legislative and Regulatory Affairs

- Cooperatives have 2.5 times the amount of line as PSO and OG&E, and have 6-7 meters per mile
- It took 30 years to get electric from urban to rural areas
- Kenny deals with politics and the Corporation Commission
- Coop's want safe, affordable, reliable electricity
- In 2004, term limits changed everything. You go from legislators active 30-40 years, to people you don't know. We went from Republican control after 30 years of Democrat control.

Anna Politano, Oklahoma Living Magazine

- In 1948, the Oklahoma Rural News was a voice for electric cooperatives and informed and educated people for 65 years
- The ORN started as black and white, with 100,000 subscribers, 7% of which were full-time farmers
- Oklahoma Living is now free for cooperative members, paid for by cooperative members. It costs \$0.26 per issue to produce.
- They now mail 317,000 issues a month, and have digital copies available on smart phones, Apples, and iPods
- Questions were answered regarding: This N That sections and Energy Campaigns

David McMullen, ONEOK Pipeline Operations

Catreana McMullen, Access Midstream

- Deal with public awareness and transport
- Also run McMullen Farms – pork industry
- Catreana was with OSU-OKC for 15 years
- Agriculture and pipelines go together; they involve natural resources, rural areas, private property rights, and methane
- Directly they offer 60,000 jobs, indirectly 246,000 jobs – the impact of this industry is \$23.8 billion per year
- Oklahoma is fifth in the nation for crude oil production
- Natural gas rose 69% in 2012
- Pocasset, OK is the next area in Oklahoma of projected oil and gas growth
- Sour gas is gas contaminated with hydrogen sulfide – there are treatment facilities for sour gas (Lindsay area, Dewey County)
- There is a small footprint with horizontal drilling
- Fracking consists of cracking underground geologic formations – includes using a mixture of water, sand, and other chemical additives
- Recent earthquakes aren't in the areas as active drilling
- Swine production has reduced land use by 78% due to CAFOs and a 35% reduction in footprint – uses less water to create product
- Reuse water in fracking—drilling mud may be used as a fertilizer, may lower pH in alkaline areas
- “It took years to make a farm; it takes one call to keep it safe.” Call Okie *811
- FEMSA-liability on both sides, liable if you cut lines, company is liable if they fail to mark lines
- Gas line cut in Iowa-fine \$10,000/day for pipeline burst – didn't call *811.
- If you have contractors call *811, the liability is on them
- Metal or poly pipe may be used in pipeline, depending on pressure, etc.
- Oklahoma has 53,000 miles of underground pipe

John Patrick Lopez, Lopez Foods

- They do not open their doors for just anyone, only because of our association with OSU
- Will also tour OYE, FFA, and 4-H on occasion
- They are the “largest food company you’ve never heard of” and they like it that way
- Lopez is a global player for McDonalds
- Made in Oklahoma, use Oklahoma beef and pork
- Lopez employs >500 people, is open 24 hours, third shift is sanitation
- There are only four other beef suppliers in the world like Lopez
- Lopez foods makes the McRib, it is 100% pork
- In 2012, Lopez used 140 million lbs. of beef from TX, OK, KS, NE, and AZ (7 states total)
- Lopez does the Canadian bacon for the Egg McMuffin (<300 calories)
- Egg White Delight will be coming out soon
- Lopez also supplies Wal-Mart, Sam’s, Costco, and Crest
- They deal in raw, partial, and fully cooked products
- Birdshot is a big debris problem in meat, when it goes through the metal detectors
- 5-23% fat on hamburger patties
- Toured the plant

April 18, 2013

Scribe: Chris Kidd

Jason Harvey: Market Development Services

Ag Tourism

Ag in the Classroom

International Marketing

25 grain elevators daily

Publish Report

Livestock Report – Weekly

Writes Grants for promotion of Farmers Marketing

Markets “Made in Oklahoma” products and works with MIO Companies

Specialty crop block grant /impact on industry

Farm Diversification Grant

Chief Jerry Flowers: Investigative Services

Law Enforcement

There are nine Special Agents plus the Chief.

State law officials just like OSBI have been trained in everything from narcotics to homicide but most of their investigation is cattle theft. There have been over 1000 head a year stolen in the past year. There is a 40% chance you will get your cattle back if they are involved.

Heavy Equipment Theft: Doug Cartell seized farm in Dibble, Oklahoma.

Timber theft: They are investigating the largest timber theft in Oklahoma in Hughes County.

Arson Investigation – wild fires, land that burned which was set by arson. Each agent has about 3000 miles per month in 10 counties each. They will work across state lines as well.

Philip Robinson: Wildlife Biologist

He is an Airport Biologist – deals with diseases, crows in pecan orchards, and urban projects.

They work on eradication of coyotes, beavers, and feral hogs. They have 60 staff out in the counties. Cattle egrets are protected – cut trees down, take down the nest after they leave, or just hound the hell out of them.

Big cats – one in Osage County came from the Black Hills of South Dakota and the one in the panhandle came from Colorado.

Larry Rudebusch: Consumer Protection Division – Regulatory Division

Seed Lab: Inspectors collect seed for sale across the state and they make sure it matches up with the product granules. They will test for farmers concerned about the seed they bought. They are part of the Oklahoma Crop Improvement.

If standards are not met, the seed will not be allowed to be sold. Brown bag seed laws just note violation – the seed company will come after you.

Mark Beggs: Oklahoma Forest Services

There are 12 million acres in forest or 28% of Oklahoma in forest which is a \$2.5 billion industry. Cross timbers forest runs down the middle of the state. Water Quality – storm run-off is affected by the filtration of forests. The department was started in 1925 for recovery from the dust bowl in the western edge of the eastern forests.

All the ecosystems are contained in Oklahoma.

Shelter belts (produce trees) – President Franklin D. Roosevelt started and included 230 million acres and 5,000 farmers. First tree planted was an Austrian Pine in a shelter belt program here in Oklahoma.

Eastern Red Cedar – Is it native??

Fire protection coordinates with the National Guard for fire protection.

Stewardship: help land owners with any needs concerning their trees or forests.

Also assists with city projects. Draper Lake prescribed burning around the lake, not regulatory, but more service oriented. There is a nematode attached to the beetles that are killing the trees.

Michael Herron: Assistant State Veterinarian

There are 15 livestock inspectors. Mission: protect the herd and flock of Oklahoma. They do this in three ways:

1. Control disease or manage disease through testing of livestock
 2. Movement of livestock (manage)
 3. Manage disease free programs – T.B., Brucellosis, Trichinosis, Cogins – National Standards.
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Regulatory Affairs Panel

Bennett Abbott – Deputy General Counsel

Don Parrish – AEMS Division Director

Larry Rudebusch – Supervisor, Agricultural Resources Section

Jon Pruitt – Director, Meat Inspector

Ruseal Brewer - Assistant General Counsel

Dan Parrish: 1997 Regulatory for Feed Yards, poultry houses, complaints of animal issues

- a. Phosphorus is the nutrient that is the most concerning
- b. No involvement with superfund sites
- c. No involvement with mud from fracking applications
- d. Federal Program AG PDES

Bennett Abbott:

- a. Legal to burn a pasture
- b. Permission from forestry services if you are in eastern 16 counties in Oklahoma
- c. Forestryservices.ok.gov

Larry Rudebusch

- a. Only active ingredients are listed – land application is regulated by DEQ
- b. No assistance for mid-application regulations

Jon Pruitt: Meat Inspector

- a. Inspect process and slaughter of meat – different from USDA, but are able to USDA inspect because of the T.A. Act
- b. Facility and sanitation inspections for custom meat facilities
- c. Three investigators across Oklahoma

Oklahoma Ag Coop Council

Kinsey Money: Executive Director of Coop Council

Cooperatives are farmer owned. Money is reinvested, or patronage paid back to the farmers. Welch's, Land O'Lakes, Blue Diamond Almonds, Tree Top Apple juice, and Sunkist orange pop are all coop products. Boards are made up of farmers; they make the decisions for the cooperative. Insurance liability policy for board members then train board members on accounting and other things needed to serve as a board member.

Brandon Winters: Cottonseed crush facility is over 70 years old – formed in 1944. They expended to crushed canola. To process cotton seed they remove trash and move to another building where they take off lint. Lint is used for mattresses, bandages, and currency. Lint film and hulls are sold as cattle feed or to oil wells for the packing of oil wells. The seed will be flaked, pressed, and the oil will be extracted from that. The oil is actually washed off of the meat by a solvent. The solvent is then gathered back and used again. Class member Joe Gribble sells much of the protein and also procures the cotton seed.

Storage: 128,000 ton of cottonseed; 700-800 ton per day is crushed.

Canola Seed: size of a mustard seed and 42% oil. Mechanically pressed yields 70% of oil and the rest extracted by the use of solvents to get the last 30% oil.

Bio-diesel: most canola oil from the coop is used for biodiesel. Canola oil may be healthier than olive oil. The oil yield is 980-1000 lbs. of oil per ton of seed. About 500-550 tons of canola per day crushed when operating 24/7.

Canola subsidizes the decreasing cotton acres. Oklahoma is the second largest canola producing state in the union. North Dakota is the largest producing state of canola. Virgin oil means that it has been mechanically pressed only to get the oil out. Hexane is the solvent used – they also use citric acid and caustic soda. Canola is a great rotation crop for wheat.

RBP: Refined, Bleached, Deodorized

TimberLake Farms – Full Service Alpaca Farm

TimberLake Farms, Inc. is owned and operated by a team - Tom Cameron (veterinarian) and Steve Hull (animal scientist). Together with their families, they breed and train top quality alpacas focusing on conformation, color and service to clients.

TimberLake Farms, Inc. offers sales, breedings, agistment (boarding), on farm/telephone consultations as well as educational seminars across the USA. Located in a beautiful wooded, hill area of central Oklahoma, they are located just north of the confluence of Interstates 35, 40 and 44 about 15 minutes north of Oklahoma City.

Steve shared his various passions and answered our questions. Then we walked to the pasture to interact with the alpacas.

April 19, 2013

Scribe: Ginger Reimer

Oklahoma Farm Bureau, OKC

Michael Langston addressed the Water Laws/Water Rights. He is the Assistant Director, Oklahoma Water Resources Center and works on policy.

He shared how the U.S. differs in water rights and expectations. The philosophy in the eastern U.S. is riparian and the western U.S. is priority. Riparian is if you border the stream you have rights to the water flowing through it. Priority says you apply for use and the first in time is the first in rights.

Oklahoma has a hybrid system. Our state was formed after these other systems were in effect. California has changed their system.

In Oklahoma, groundwater is not in a defined area such as a stream. It is sheet water and you own it. Aquifers hold water bodies underground. It's full of rock/dirt with water filtering in – typical of Oklahoma – not big cavities of water. Karst geography is a lot of stone with pockets of water. Two types: bedrock (mostly limestone) and alluvial.

Surface water = domestic use is first priority – household and garden up to 3 acres, water livestock up to carrying capacity of acreage.

Groundwater = you own land then you own the water with reasonable regulation from the state.

325,000 gallons of water = 1 acre 1 ft. deep (1 acre foot)

Deminimus use = insignificant use

Non domestic use = 2 acre foot for every acre of land

Cannot waste – depleting and not using or pollution.

Stream Water Law is beneficial use – no preference of priority for use.

J.D. Strong, Executive Director, Oklahoma Water Resources Board spoke on the State Water Plan. He spoke about wildlife ecology. There are 34 major reservoirs, 13 million acre feet, and 23 major groundwater storages.

Points that he made:

2 million acre feet of water

Permits are on a first come basis

Pond water is stream water

The Water Plan is a five year process and covers an intended span of 50 years. About \$11-13 million is spent on the water plan – domestic and municipal. We look back at the mid-1950's drought.

Third in use is thermal energy production – it's had the greatest growth

10% oil and gas

There are 13 regional planning meetings

State Question 764 – 300 million states credit pledge

The only failed bill.

We are Planning Boards not Regulatory Boards

Water for 2060 ACT – Water plan and a landmark bill = State-wide we consume no more freshwater that we use today

Rodd Moesel, OALP Class V, is in this Water Act group

Gary Sherrer, Oklahoma Secretary of Environment, and **Tyler Powell**, Deputy Secretary of Environment, spoke on Water and the Environment

Safe Drinking Water Act...every city and town found out-of-compliance by EPA is levied a heavy fine. WE DO NOT WANT EPA INVOLVED. DEQ works with you so the issue is task on – three new programs at a cost of \$2 million. DEQ is trying to make a plan. A total of \$200,000 from legislature went to EPA to promise

we'll regulate ourselves. The fee is \$½ million across the cities and towns and that amounts to \$0.34 per customer per year. We have a total of \$1.5 million from the legislature now.

The Oklahoma/Arkansas agreement is to do tests and evaluate phosphorous levels from poultry litter. "This all has to be handled fairly and with a common sense approach. The issues are extreme and tangled."

In the northwestern part of the state, the lesser prairie chicken went extinct in the dust bowl and we brought it back. In 1996, it was #8 and it wasn't a priority – we just watched it. When it became #2 to almost becoming endangered, we had to make it a priority. If something goes endangered then it gets totally REGULATED.

CLEAN AIR – Regional haze statues – PSO and OGE work on ozone issues.

Neal McCaleb of the Chickasaw Nation and former Assistant Secretary, Bureau of Indian Affairs, appointed by President Bush and now an Ambassador of the Chickasaw Nation talked about tribal issues.

This discussion was over the Kiamichi River Basin. If it was once Indian land, then they want to still own the water. "We have superior and tribal sovereignty" – comes from and given the authority between treaties. The Dancing Rabbit Treaty – south of Canadian river to Republic of Texas – deeded to Tribe the authority over the land, water, etc.

Other points made:

1876 was the last of the treaties and in 1898 tried to eliminate tribal government – 5 Tribes Act

1896 continued sovereign states

Tribe got the water rights when they got the land

1906 Enabling Act

Tribes take the position that the state doesn't have rights to authority

The Army Corp of Engineers stiffed them 20 years and Oklahoma City paid on 30 million gallons but want storage rights

The Red River Battle lawsuit is over 134,000 acres of water out of the Kiamichi – the Tribe wanted a seat at the table and Oklahoma City didn't respond

Tribes and gas tax – Tribe gets 4.5 cents of all tax collected

Each Tribe's sovereignty is different

Dr. Robert P. Smith, Water Resources Consultant, Dallas, Texas and **Hopper T. Smith**, President, Strategic Resource Consulting, of Edmond, Oklahoma spoke about "Water for Texas: Regional Economic Considerations."

The rainfall is higher in the eastern part of the state and there are reservoirs for storages but the cost is high to get it where it needs to go. The Kiamichi River has a huge dam and flows west.

The video spin wasn't well received by our group. "Oklahoma has more than enough. They'll always come first and Oklahoma needs our money for their EXCESS Water!"

There was a plan before, under Keating's administration, to sell water to Texas and it was about to happen and then "blew up" at the capital. It's a wicked problem – so diverse and so many layers. Problem takes on a personality of its own. Problem doesn't want to be solved. Can't solve and can't find passage to problem.

Oklahoma and Texas are economically impacted and intertwined. "We need Texas to feel a kinship towards Oklahoma congressionally."

The Texas Triangle is where the growth is. Tulsa 0.9 million, Oklahoma City 1.3 million, Dallas/Fort Worth 5.8 million, Austin 1.4 million in growth.

Red River Compact – Texas has right in Oklahoma going back to Senator Kerr.

“It doesn’t hurt Oklahoma to help Texas.” Tarrant County needs the water. They would pay \$15-65 million to Oklahoma.

“There’s no fear like water fear.”