

Special Orders of Business
Ohio Farmers Union
As Passed by the 80th Annual Convention, Columbus, Ohio
February 2014

Shale Gas Exploration & Production in Rural Ohio

The extraction of oil and natural gas from shale formations such as the Marcellus and Utica formations presents enormously complex technical challenges, consumes large volumes of fresh water and requires the use of a wide array of hazardous chemicals. Farmers Union urges caution in the development of such fossil fuel resources, as doing so will slow our progress toward renewable fuels and accelerate climate change.

OFU proposes the following policy recommendations in order to protect Ohio's farmland, water and air from contamination associated with the drilling or hydraulic fracturing of production wells or from contamination associated with waste disposal of hazardous by-products from the process:

For Production Wells

We recommend that all drilling companies carry bonding sufficient to offset the costs to land owners of water, air or farmland contamination from spills, accidents, equipment failures and seismic activity.

We recommend that companies fund pre and post-drilling water testing for farms, homes or businesses within one mile of the drilling site.

We urge that all drill sites for horizontal hydrofracturing wells include monitors for ground water and air quality with one-quarter mile the site.

We urge drilling companies to urgently seek alternatives to the use of fresh water for fracking.

As soon as is technically feasible, we urge that companies be required to recycle the return water from hydraulic fracturing.

We urge that solid waste from hydrofracturing be disposed of at dedicated sites with radiation monitors and ground water monitors.

We urge that no production wells be permitted in an area that has not had all "orphan wells" identified and properly plugged.

We urge that a severance tax be implemented by the state of Ohio to fund these and other programs.

For Disposal Wells

We recommend that all drilling companies carry bonding sufficient to offset the costs to land owners of water, air or farmland contamination from spills, accidents, equipment failures and seismic activity.

We urge that waste products from hydrofracturing, which contain toxic compounds or radioactive compounds, be disposed into Class 1 disposal wells only.

We urge that each load of waste from hydrofracturing be tested for toxins and radioactivity before it is injected into a disposal well; and that an accounting of each load injected be kept at the wellsite.

We urge that each disposal wellsite should include a ground water monitor for near-surface and for ambient groundwater table depths.

We urge that old gas and oil wellsites not be approved as disposal well sites.

We urge that no disposal wells be permitted in an area that has not had all "orphan wells" identified and properly plugged.

For All Wells

Transparency

The Ohio Farmers Union calls on the Ohio Department of Natural Resources – with the support of the Ohio General Assembly if necessary – to offer Ohioans more transparency in their management of the oil and gas industry drilling permit process. This transparency should extend across all operations including gas and oil production as well as wastewater disposal injection wells. OFU demands that ODNR hold public meetings on production and injection well permit applications if requested to do so by the local community.

Pipelines

With the growth of the oil and gas industry around Ohio's Utica Shale play, farmers and rural landowners will be faced in the coming years with a surge in pipeline construction.

The Ohio Farmers Union asks the Ohio Department of Natural Resources and other relevant governmental institutions to be vigilant on behalf of Ohio's economically important and precious soil and water resources.

The Ohio Farmers Union advocates for state government regulation that ensures soil which is disturbed during pipeline construction be returned to its previous condition and farmland be returned to its previous level of production.

Severance Taxes

The Ohio Farmers Union continues to support efforts to raise Ohio severance taxes well above current rates that are at an industry low in comparison to other oil and gas producing states.

After state regulatory activity of production and waste disposal operations and wells has been funded through the state's severance tax collections, Ohio Farmers Union supports:

- A portion of severance tax revenue should be set aside for environmental mitigation of the effects of hydraulic fracturing;
- A generous portion of severance tax collections should remain in the county where they were made for the purposes of public education and infrastructure improvements such as roads and bridges
- The Ohio Farmers Union supports the use of severance tax revenue for the identification and plugging of 'orphan wells' around the state.
- The Ohio Farmers Union would support the use of severance tax revenue to restore the state Local Government Fund to its pre-2011 funding level.
- The Ohio Farmers Union does not support using the proceeds from increased severance taxes for the purpose of funding state income tax rate reductions.

State and Federal Beef Marketing Check-Off Programs

The Ohio Farmers Union reaffirms that the organization opposes all marketing check-off programs which are not voluntary at the point of delivery.

The Ohio Farmers Union opposes increasing Ohio's state beef check-off from \$1 to \$2 per head.

The Ohio Farmers Union is incensed by the actions of the National Cattlemen's Beef Association in working against independent beef producers and consumers in its continued opposition to Country of Origin Labeling. U.S. and Ohio consumers have the right to know from where their food comes and was processed.

Ohio's Broken System of Legislative District Apportionment

The Ohio Farmers Union supports efforts to reform the reapportionment process in Ohio that encourages competition among the political parties, maintains the compactness of legislative districts while keeping political subdivisions together, creates transparency around the process and includes meaningful public participation.

Maintaining the “25 by 2025” Renewable Energy Goal & Energy Efficiency Standards

With the passage and signing of 127-S.B. 221, Ohio energy policy has been that 25% of all electrical generation for the state will be from renewable energy resources by the year 2025. The Ohio Farmers Union continues to strongly support this mandate, which is current law, and is opposed to any utility or coal industry efforts to repeal or weaken this mandate.

The Ohio Farmers Union opposes attempts – such as current Senate Bill 58 - by First Energy and others to repeal current law mandating renewable energy standards and energy efficiency measures by Ohio’s public utilities.

Nutrient Pollution/Management

The Ohio Farmers Union supports a broad focus on reducing nutrient pollution from farms and cities alike.

We urge all farmers to adopt voluntary conservation practices, including the 4Rs.

We urge increased oversight of Animal Feeding Operations (AFOs), Confined Animal Feeding Operations (CAFOs) and Third party manure distributors, called Certified Livestock Managers (CLMs).

We urge The USEPA to approve a protective nutrient standard for Ohio.

We urge Congress to enact legislation requiring conservation compliance from farmers using the federally-subsidized crop insurance program. This would include mandatory soil testing.

We urge Congress to adequately fund USDA conservation programs such as EQIP and CRP so that practices such as filter strips and sediment control are economically attractive to farmers.

We support nutrient trading programs provided that they rigorous monitoring and verification elements.

Current Legislation: Ohio Senate Substitute Bill 150

The Ohio Farmers Union believes that this bill would be substantially improved and move closer to its sponsors’ stated intentions of protecting water quality – especially in the western basin of the Lake Erie watershed – with the following additions or changes:

1. Manure should be added to the definition of fertilizer in the Ohio Revised Code. Additionally, any legal definition of agricultural pollutants should include manure.
2. More should be done in terms of increased inspections by the state of Ohio in monitoring both AFOs and CAFOs so that problems are discovered and remedied before they are environmental disasters such as those that have occurred at Grand Lake St. Mary's and Lake Erie.
3. Ohio should institute a mandatory soil testing program and the Ohio General Assembly should appropriate funding for The Ohio State University to expand the STAR lab of the OARDC to serve all Ohio farmers.

FSA Farmer Loan Programs

FSA farm loan programs should be put on stable, consistent funding to avoid constant delays and backlog. By mid-January 2014 Ohio FSA had over \$60 million in approved but unfunded loans.

Ohio Farmers Union urges Congress to adopt a consistent funding mechanism for FSA's Farm Loan Programs through CCC.

Importation of Fresh Beef from Argentina and Brazil

The USDA is currently proposing to allow importation of fresh beef from Argentina and Brazil. Although the specific areas where the beef could be imported from have been declared to be free of Hoof and Mouth Disease, OFU does not believe that this is verifiable over time. HMD is easily transmissible and the beef health and safety protocols of other countries are not as stringent as in the United States.

OFU therefore does not support allowing fresh beef imports from Argentina and Brazil, and urges OFU members to comment on the USDA's website to oppose this threat to the health of the US beef herd.