MEASURE: <u>SB</u> 620 EXHIBIT: <u>m</u> Joint Committee on Tax Credits 76thSession DATE: <u>SUBMITTED BY: John MS Elhecan</u> Yin Tomas Endicott

Support for SB 620 John McElheran 7M Ranch 56531 Juniper Flat Rd. Maupin, OR 97037

My name is John McElheran and I am a 5th generation farmer in Wasco County, east of the Cascade Mountains. We're fairly dry – our long term average rainfall is around 12". So, traditionally, Eastern Oregon dryland farmers have raised soft white wheat on half of their land and left the other half fallow to be planted in alternate years, conserving moisture for the next crop.

The last 10 to 15 years have seen a significant shift in the way we farm – away from tillage – Wasco County is now 90% No-Till. The move to No-Till cropping systems has changed the way we farm. Wheat straw is no longer tilled into the soil, but is instead left standing and the next crop is planted into the standing residue. On good crop years, the residue loading can be significant which makes it difficult to plant crops the following year. Therefore, residue management has become a top priority. Moisture is conserved from not doing any tillage, providing a possible opportunity to plant two crops out of every three years. This opportunity could provide an increase in whole farm productivity as well as help manager residue loading by planting a low residue broadleaf crop between the high residue wheat crop years.

I have tried several crops and rotations with limited success. Most do not do well with our low rainfall, late freezes and hot summers. The latest crop that I have tested is Camelina – an oilseed that does tolerate our conditions and holds real promise for Oregon agriculture. However, there is quite a bit of risk involved in growing this new crop as there are no crop insurance programs yet in place and learning to grow a new crop to it's potential takes time. The learning curve for growing any new crop is steep and the level of risk is too great for most formers to accept.

Growers need a net return on a new crop that is similar to what they could expect from their wheat crop. The Oregon Biomass Tax Credit helps put Camelina returns closer to being on par with dryland wheat and prevides an incentive to growers to swood their rotation. In addition, the Tax Credit helps the marketing side of Camelina by giving processors a few years of help to obtain mainstream acceptance by livestock producers for the meal so that they can any formers the marketing side for the area. I believe these are important steps that need to be taken for the benefit of Oregon Agriculture. Thank you for supporting Senate Bill 620 - it's a step in the right direction.

Sincerely,

John R. McElheran