



**Testimony before the House Committee on Land Use  
By Jeff Stone, Executive Director  
Oregon Association of Nurseries  
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Chair Clem and members of the Committee, I am Jeff Stone, Executive Director of the Oregon Association of Nurseries. I am pleased to be here this afternoon and talk about the opportunities and challenges of land use.

**Oregon nursery industry background**

The nursery and greenhouse industry remains the state's largest agricultural sector despite a severe economic downturn. As the nation's second-largest nursery state with over \$722 million in sales, our growers ship their products throughout the country. Nearly 75% of nursery stock grown in our state leaves our borders – with over half reaching markets east of the Mississippi River. The Oregon Association of Nurseries represents wholesale and Christmas tree growers, retailers and greenhouse operations.

Our members have spent generations as stewards of the state's natural resources. We believe that economic vitality can go hand in hand with sustainability and long-term environmental health. How the state enters into a discussion over the use of land in both the short and long terms is critical for the survival of agriculture.

**The Nursery and Greenhouse industry is both urban and rural**

The Nursery and Greenhouse industry is uniquely situated to speak to the pressures of urbanization and the role of agriculture since the members I represent are both urban and rural. The OAN believes that land use planning must embrace a new view of agriculture and embrace its economic impact on the state. Many have described agriculture as an industry without walls – this is true. We are a traded sector, similar to industries such as high technology and other traditional manufacturing. Our top grossing nursery operations reside within the counties of Clackamas, Marion, Washington, Yamhill and Multnomah.

To further the point – our economic footprint can be measured in both sales volume and location. Out of the 1,800 nursery and greenhouse businesses, over 1,300 are small operators with sales less than \$100,000. These are typically small growers with regional sales to other wholesale growers and retail operations. Only 240 operators sell \$500,000 and higher with tremendous quantities of plants being shipped throughout the country. Some operations have very few employees – they could be as few as a couple family members – while the larger

operators employ hundreds and account for the majority of the total sales numbers for the industry. These counties are all in or near the Portland metropolitan area and represent 84 percent of the total value of nursery and greenhouse production in Oregon.

While county lines are a crude measure of geographic importance, the greatest number of nursery and greenhouse operations resides in Clackamas (480), Marion (280), Washington (230), Multnomah (180) and Lane (130) counties. Very few growers are located on the east side of the cascades – instead nestled in the favorable climate and soils of the Willamette Valley. The clustering effect of the industry demonstrates that it reaches into urban and rural areas and depends on transportation infrastructure to get product to market. In short - we grow things and grow them fast, with unmatched quality, and provide an economic benefit to this state and an environmental difference through our trees and plants throughout this country.

Oregon citizens support maintaining a strong agricultural sector. Polling consistently shows that 77% of the people of Oregon value the protection of farm and forest lands. However, we must admit that many love the idea of farms, but not the activity of farming. The conundrum facing agriculture, municipalities and environmentalists is how land is to be used in the future. That debate could have profound impacts on how urban and rural lands coincide or collide.

### **The Land Use X-factor: the value of irrigated farm land**

For 2010, the Oregon Department of Agriculture estimated that the value of agricultural exports was \$1.37 billion. That traded sector component of agricultural production brings fresh dollars into our state that would not otherwise be here—driving economic development that does not come from simply passing a dollar from hand to hand inside Oregon.

However, that tremendous value to our state's economy is largely dependent on the availability of prime farm lands and irrigation water. The Oregon nursery industry, like many other agricultural sectors, is water dependent. According to the USDA's National Agricultural Statistics Service 2008 Census of Agriculture, approximately one-quarter of Oregon's farm land is irrigated--1.75 million acres out of a total 6.95 million total acres in production. But of this total, the irrigated ground accounted for 85% of the value of all Oregon non-grain food crops. Without access to water for agricultural production, this significant component of Oregon's economy cannot be sustained, much less grow.

### **Land use is a careful mix of predictability and flexibility**

Over the past six years the legislature has dealt with issues ranging from urban-rural reserves to special non-traditional uses on lands deemed Exclusive Farm Use (EFU). As a whole, it is critical that predictability be maintained for the long-term economic stability of agriculture. Issues surrounding on-farm marketing to add value to products and generate income on the farm is important – yet infinitely trickier. For example, one of the OAN's retailers in Marion County holds classes to educate customers about how to take care of their perennials during the winter months and how to plant hanging baskets. In addition, they host a harvest festival every October. These two events alone account for a large portion of their total annual revenue. This is the case with countless other farms and nurseries around the state and without these events, they would not survive. This issue cuts both ways for our members,

depending on whether they are looking to host an event or whether they have concerns about a particular event near their property. The OAN is an advocate for a well-reasoned land use code that permits ancillary uses on EFU land that contribute to the success of agricultural businesses. However, in doing so, we must also ensure that negative impacts to surrounding neighbors do not increase because of these new uses. The state has granted flexibility to the wine industry over the past couple of years on this issue and the issue exists beyond that sector of agriculture.

I am pleased that you have heard from Richard Whitman, Governor Kitzhaber's Natural Resource Advisory during your hearing. I have been selected to participate in the governor's Urban Growth Advisory Committee. Land use and urban growth has been a source of controversy between rural and urban areas. While farm land and use are safeguarded by a hierarchy of priorities, the urban growth management system has become increasingly complex, slow and expensive. The Governor has called for an Urban Growth Advisory Committee to examine ways to increase urban efficiency, assist cities in their efforts to house and employ their citizens and reduce the litigious growth amendments that plague smaller cities. The importance of farm and forest lands is a central theme. The advisory committee is looking at options to help smaller cities and non-controversial growth expansions deal with population forecasting, residential and employment growth and greater use of lands within an urban area.

Transportation planning is also a critical component of sound land use policy. The nursery and greenhouse industry depends on vital transportation infrastructure to get product to market. Transportation is often seen as a stand-alone when considering agricultural policy – however, it is very important that the committee understand that a highly functional transportation system is critical to the success for farms and families. Producing good land use policies will promote a balance that will serve the state and its economic engine.

### **Conclusion**

The OAN supports well-reasoned land use policies that permit reasonable and predictable growth of our urban customer base while simultaneously protecting the land and resources that are essential to our industry. We need sensible policies that permit rural land owners to help urban customers experience and learn about the rural lifestyle and rural products while simultaneously preserving the agricultural infrastructure that makes such interactions possible. The OAN believes the time has come for land use planning to embrace a new view of agriculture, where agricultural lands are viewed not only as open space, but as the important industrial land base that they represent to our state's economy.

Thank you for your time and attention. I am happy to answer any questions you may have.