Dear Joint Committee on Carbon Reduction:

Our family owns and operates Sodbuster Farms, a fifth-generation hops farm located in Marion County at 9775 Wheatland Rd N in Salem. We are writing about the HB 2020 Cap and Trade Bill, currently being considered by the committee. We encourage you to oppose the bill as written on the grounds that it will have a negative impact on food safety, will unfairly disadvantage the Oregon hops industry within the US and internationally, does not treat the various sources of carbon emissions equally, and will reduce the number of quality jobs that we provide to our community.

Our operation uses natural gas to dry our hops during harvest as part of the processing and packaging of our crop. The clean-burning gas is ideal for our operation because it does not pose a risk of contamination and therefore complies with food safety legislation. Food safety is a major concern of our industry and we are alarmed that steep, non-gradual increases in costs will mean that we have to switch to other fuel sources that may not burn as clean. This puts our food sources at risk, even without effectively reducing our carbon emissions.

A dramatic increase in the cost of natural gas will have a significant negative impact on our financial operations and will harm the Oregon hop industry’s competitiveness in the marketplace. As written, HB 2020 would nearly quadruple our fuel costs by 2030. Greatly increased fuel costs for necessary harvest operations, especially if not graduated, will mean our company will either slow its growth or begin to go negative. This drain will unfairly disadvantage the overall Oregon hop industry against Washington and Idaho, the other major hop-growing regions of the country. US hop production will suffer, throwing contract pricing into chaos (hop prices are fixed as many as six years ahead of time), and providing opportunities for other countries to supply the demand.

Diverting our resources towards increased fuel costs will also require a reduction in our other expenses. Unfortunately, this will mean that payroll will have to be diminished and fewer workers will be hired during the growing and harvest seasons (and potentially year-round). Improvements in automation technology make this feasible, and higher fuel costs in the near-term mean that we will have to focus on labor-reduction strategies to compensate. We are proud of the quality, good-paying jobs that we are able to provide our community, but we need more time to adjust our business model to higher fuel taxes so that it doesn’t unduly impact our ability to provide work.

Finally, it is vital that all sources of carbon emissions be treated equally for an effective overall reduction in atmospheric carbon. As written, HB 2020 singles out natural gas as the only utility to not be given any allowances, and is far more aggressive than any other state’s plan. Ambitious carbon-reduction goals can still be met with equal “on-ramp” treatment of all utilities. This would also allow businesses like ours time to prepare for increased costs while still complying with food safety regulations and providing quality jobs to our community.

While we understand the danger of climate change and the role that burning fossil fuels plays in the cycle, there are important impacts to consider in any legislation, no matter the goals. Carbon taxes only make sense when they treat all fuel sources equally, are coordinated on a federal level (rather than state-by-state), and are gradually implemented so as to give businesses time to readjust financial priorities. It is important to look at the many unintended negative effects of aggressive and non-graduated carbon taxation and determine whether there are other ways to meet the same goals. We hope that you will take this information into consideration and oppose or amend HB 2020.

Sincerely,
Douglas Weathers
President, Sodbuster Farms, Inc