March 8th, 2019

Chairs Dembrow & Power, and members of the Joint Committee on Carbon Reduction:

My name is Kathy Hadley, and I am an owner/operator of two family farms in Oregon's Willamette Valley. I farm about 1000 acres with my father just west of Salem near Rickreall, and about 350 acres with my husband near Silverton. Both farms raise a variety of crops, including grass seed, grains, canola, hay, and beef cattle. I have 2 small boys who love the farm lifestyle, and another expected within the month! Grant, Cody and our upcoming baby represent the 4<sup>th</sup> generation on our Rickreall farm and the 6<sup>th</sup> generation in Silverton. Without operating sustainably and constantly improving our practices, we and other farm families would not have that kind of longevity.

I am writing to ask you to oppose the current version of HB 2020. It would have substantial adverse effects on Oregon's farmers. Impacts to the farming community largely revolve around increased fuel costs, because from planting to harvesting and everything in between, we directly rely on fuel to raise our crops. We additionally rely on fuels for processing our raw crops into marketable products, and then transporting those goods to market. Even if the farmer doesn't directly pay those processing or transportation costs, increases still impact us because the purchasing business (that we rely on to help facilitate the marketing chain) will factor those increases into what price they are willing to pay for the unprocessed crop.

I am well aware this legislation will impact every Oregonian, but I highly encourage the committee to explore the option of agricultural exemptions. Agriculture is one of the few sectors that people literally cannot LIVE without. Three times a day, most people take advantage of what our industry produces. When farmers already often operate on slim profit margins, and are usually price-takers (versus setting the price that will be paid for their crops), family farms like mine are more sensitive to price increases than many other business types. Making it more costly to produce food and fiber does not help with **food security**.

I am also disappointed that in a state that has been and continues to be a national leader in the production of several types of grass seeds, Christmas trees, timber, and several other long term perennial crops like hazelnuts & blueberries, our industry gets no credits, incentives, etc. for the carbon we **capture from the atmosphere and sequester in the soil**. Practices becomingly increasingly common like no & minimum tillage planting only increase those benefits.

I thank you for taking the time to consider my testimony, and ask you to vote 'NO' on HB 2020 as currently drafted. Family farmers like me and my family need more protection from cost increases under cap-and-trade style policies. Thank you,

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