



Oregon Dairy Farmers Association
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HB 3427 TESTIMONY
JOINT STUDENT SUCCESS COMMITTEE

SENATOR ROBLAN AND REPRESENTATIVE SMITH WARNER, CO-CHAIRS

April 18, 2019

Entered into the Record by
Tami Kerr, Executive Director
Oregon Dairy Farmers Association

For the record, my name is Tami Kerr and I am the Executive Director of the Oregon Dairy Farmers Association. I offer the following testimony on behalf of the 200+ dairy producers of Oregon. These multi-generational organic and conventional Grade A dairy farm families work hard 24-7, 365 days a year and are proud of the care they provide for their animals, they produce a high quality fluid product that ranks among the highest quality milk in the nation, and our producers take pride in their care of the environment.

The Oregon Dairy Farmers Association (ODFA) is opposed to HB 3427, specifically the -1 amendment. Our producers have endured four years of low milk prices and dairy farmers across the country are going out of business. There are just over 200 Grade A dairy farms in Oregon and this bill would negatively impact nearly 150 of our family farms. Dairy farms receive a monthly income from the sale of milk, but the cost of production exceeds the income received. There is no profit to tax. Our struggle is real and our producers are barely holding on, they are pulling equity from their businesses to stay afloat.

We understand income from national safety net programs that farmers paid into including the Dairy Margin Protection Program and EQUIP funding from NRCS would be taxed as income.

We appreciate the attempt to exclude ag coops, however, we are concerned that the draft language subjects farmer-owned coops and their owners to double or triple taxation. We have questions about the annual patronage paid to coop members, it would likely be considered revenue and taxed again.

On farm fuel costs would be taxed by the distributor and farmers would pay the added cost. There is already consideration by the legislature to add costs to fuel under HB 2020. Hitting our producers with two tax increases would be devastating.

We respectfully ask you to consider the family owned farms that would be negatively impacted by HB 3427 and the -1 amendment. Please consider exempting food producers from this legislation.