

OPPOSE HB 2020-B: Costly Cap-and-Trade Mandate

Our coalition of agricultural organizations urges you to vote "NO" on HB 2020-B.

Oregon's agricultural sector is committed to natural resources, stewardship, and sustainability. Working landscapes are part of the solution to carbon sequestration. Unfortunately, HB 2020-B will not make a measurable change in global greenhouse gas emissions and will instead layer unnecessary costs on local farms, ranches, and rural families.

Even as amended, HB 2020-B imposes <u>real</u> costs on farm and ranch families through the purchase of fuel, propane, and natural gas.

- HB 2020-B drives up the cost of moving commodities to market—21 cents more per gallon in 2021.
- HB 2020-B increases the price of propane and increases the cost of heating rural homes and on-farm processing.
- HB 2020-B fails to adequately protect natural gas ratepayers, jeopardizing Oregon's nursery growers, mint and hops producers, and food processors, among others.

These costs must be addressed in HB 2020-B if Oregon wants a thriving agricultural sector. As price-takers, farmers and ranchers have a limited ability to recover the increased costs associated with production under HB 2020-B. Growers operate on thin margins, and it is not uncommon for a farm family to go without income when commodity prices are down. HB 2020-B puts Oregon's agriculture sector at an economic disadvantage compared to growers in other states and countries.

Additionally, we remain concerned with the structure of agriculture offset programs. We've worked with our counterparts in jurisdictions with carbon pricing policies, and HB 2020-B fails to address challenges with offset development that those governments have encountered. This, coupled with higher fuel, propane, and natural gas costs, will make it more challenging to maintain the family farm for the next generation. The unfortunate outcome of HB 2020-B will be less take-home pay for farm and ranch families, and consequentially, fewer resources to upgrade equipment or invest in on-farm efficiencies. This seems counter to the goals of HB 2020-B.

While we appreciate the public process and tour of rural areas of the state, we are disappointed that HB 2020-B fails to address the concerns voiced by Oregon farmers and ranchers. HB 2020-B will raise the costs of agricultural production in Oregon and further strain rural communities. At the same time, global greenhouse gas reductions will be inconsequential under HB 2020-B.

