



Main Office • 133 SW 2nd Ave, Ste 201 • Portland, OR 97204
Willamette Valley Office • 454 Willamette St, Ste 213 • Eugene, OR 97401
Southern Oregon Office • PO Box 2442 • Grants Pass, OR 97528

March 19, 2021

Members, House Committee on General Government
900 Court Street NE, Salem, OR 97301

RE: 1000 Friends of Oregon's concerns with HB 3239

Dear Chair Wilde, and members of the House Committee on General Government,

Thank you for the opportunity to comment on HB 3239. 1000 Friends of Oregon has had a long history of working on these topics. We recommend that this bill be reworked to target large processing facilities that are better suited for industrial land and whose connection to surrounding farms is miniscule at best.

As drafted, the bill would prevent many smaller hemp and cannabis farming operations from processing their own crops. Farmers of all kinds of crops are allowed to process crops locally on their property. State law limits such processing facilities to 10,000 square feet and requires that at least one quarter of the processed crops have been grown by the farming operation that hosts the processing facility. ORS 215.283(1)(r).^{1, 2} Because of the requirement to be connected to a specific farming operation, these small processing facilities are built to serve the needs of local farmers. This bill singles out two high value crops, and undermines part of the framework that protects Oregon farmers and farmland.

For that reason, this bill should be amended to exclude small hemp and cannabis processing facilities allowed under ORS 215.283(1)(r).

Second, the larger issues this bill seeks to address are not limited to hemp and cannabis. Mega-sized industrial processing facilities can take large swaths of valuable farmland and over burden small farm roads and local infrastructure. In exchange, the operators of such facilities often demonstrate a miniscule or ancillary connection to local farmers and farms. The burdens and harms of siting such facilities on farmland far outweigh the benefits.

¹ "(1) The following uses may be established in any area zoned for exclusive farm use:... (r) A facility for the processing of farm products as described in ORS 215.255."

² ORS 215.255 allows a "[f]acility for the processing of farm products" if "at least one-quarter of the farm crops come from the farm operation containing the facility" and the facility "[u]ses less than 10,000 square feet for its processing area and complies with all applicable siting standards."

1000 Friends recently challenged a proposal by a company to build a roughly 100,000 square-foot hemp processing facility on farmland. The facility was proposed just miles away from available industrial zoned land, and would have been built to process hemp grown from across the state. Its trucking needs alone were far beyond what the local farm roads were built to handle. The facility was not designed with the primary purpose of serving local farms, and it was clear that the operator wanted to build on farmland simply because the land was comparatively cheaper than what it would have cost in an industrial zone. Farmland is the economic engine that drives Oregon's agricultural economy. It should not be paved over for industrial uses, especially when land appropriately zoned is available.

HB 3239 overlooks the larger issue. These large processing facilities are permitted as "Commercial Activities in Conjunction with Farm Use" (CACFUs). ORS 215.283(2)(a).³ Part of the problem is that the statute does not define what it means to be "in conjunction with farm use." Courts have allowed even the smallest benefit to the "local agricultural community" to suffice, even if the vast majority of the crops processed by a facility are not grown locally and have no connection to local farms and farmers.

For that reason, 1000 Friends supports common sense reforms that would clarify when large processing facilities and other uses permitted as CACFUs are allowed on farmland, and when they should be built on nearby land zoned for commercial or industrial use. Construction on farmland should be seen as a last resort, especially when commercial and industrial zoned lands are available and better suited to handle the use. The proportion of the processed crops grown on site or in the immediate vicinity should be a consideration. This issue deserves a more comprehensive solution than what HB 3239 provides. An outright ban for certain types of processing for hemp and cannabis does not address the larger issue or the threat posed by industrial processing facilities to Oregon's farmland.

Sincerely,



Andrew Mulkey
Rural Lands Staff Attorney
1000 Friends of Oregon
andrew@friends.org

³ ORS 215.283(2)(a): "(2) The following nonfarm uses may be established, subject to the approval of the governing body... subject to ORS 215.296: (a) Commercial activities that are in conjunction with farm use, including the processing of farm crops into biofuel not permitted under ORS 215.203 (2)(b)(K) or 215.255."