

April 21, 2021

The Joint Committee on Ways and Means  
Legislative Fiscal Office, Oregon State Legislature  
900 Court St. NE, Room H-178  
Salem, OR 97301

RE: Senate Bill 404

Dear Co-Chairs Betsy Johnson, Elizabeth Steiner Hayward, Dan Rayfield, Co-Vice Chairs Fred Girod, David Gomberg, Greg Smith, and Members of the Joint Committee on Ways and Means,

The Organic Trade Association offers this letter and strong statement of support for Senate Bill 404. The Organic Trade Association (OTA) is the largest membership-based business association for organic agriculture and products in North America. It is the leading voice for organic trade in the United States, representing over 9,500 farms and businesses across all 50 states, including over 45 in Oregon.

Our members include iconic companies with deep roots in Oregon like Pacific Foods, Oregon Tilth, OMRI, and Rogue Creamery. Additionally, Organic Valley, Organically Grown Company, and Amy's Kitchen serve on OTA's Board of Directors. We join their voices in support of Senate Bill 404 which would increase support for Oregon's organic sector through investment in technical assistance, research, and market development.

Organic agriculture is a bright spot in the U.S farm economy, growing to over \$55 billion in sales a year in 2020, more than double the growth rate of the overall U.S. food market. Between 2017 and 2019, Oregon's organic market grew 63% to \$454 million in annual farm gate sales and over 750 certified operations. Ninety-one percent of Oregonians purchase organic, and 30 percent of organic farms in Oregon plan to increase production over the next five years. Despite this, Oregon is falling behind other states and is no longer in the top 10 states nationally for organic production, ranking 12<sup>th</sup>. This legislation is critical to reestablishing Oregon's organic leadership in the United States.

Organic presents a promising economic opportunity for farmers, but the arduous three-year transition process, an important prerequisite to becoming eligible for organic certification, receives little support for farmers transitioning to organic production. The lack of technical assistance and research tailored to organic systems are among the most significant barriers that prevent farmers from making the leap to organic. Hiring more organic specialists and extension agents is critical to ensuring farmers can take advantage of the many benefits of organic farming. The proposed cluster hire of five organic positions at Oregon State University's Center for Small Farms & Community Food Systems will provide the expertise needed to both farmers considering transitioning to organic and existing organic farmers seeking to improve their farms.

This bill provides support for organic and conventional farmers alike by establishing a soil health specialist at the Oregon Department of Agriculture (ODA). Organic production requires practices that advance sustainability in agriculture like crop rotation, cover cropping, building soil health,

increasing biodiversity, and reducing nutrient pollution. These practices have been shown to make farms more resilient to extreme weather and serve as carbon sinks, sequestering 26% more long-term soil carbon than non-organic farms. Senate Bill 404's investment in a soil health specialist at the Oregon Department of Agriculture will help farmers, organic or otherwise, mitigate climate change, become more resilient to extreme weather, all while improving on-farm production and profitability. Organic truly is a "triple-bottom line" win for people, planet, and profit.

The bill also includes integrated support for organic at ODA by creating a new position: an Organic Policy Special Assistant. Organic is a diverse and expanding market that touches every step of the supply chain. Oregon is well positioned to take advantage of growing demand for organic products both domestically and internationally. In 2020, the U.S. exported \$650 million in organic. Coordinating market opportunities within ODA will increase the competitiveness of Oregon's agriculture.

Oregon Legislative Fiscal Office's analysis of the bill shows a fiscal impact of \$1.4 million in the 2021-23 Biennium, only 1% of the Department's budget from the 2019-21 biennium. This small investment will support Oregon's organic sector and create opportunities for farmers seeking to tap into this rapidly expanding market. The bill includes further economic analysis at the Oregon Business Development Department to assess opportunities and comprehensively quantify the impact organic agriculture has on its local markets and communities.

In summary, Senate Bill 404 will increase overall economic growth, improve soil health and environmental outcomes, strengthen local food systems, and promote trade within the United States and internationally.

Thank you for your consideration,

Megan DeBates  
Vice President of Government Affairs  
Organic Trade Association