



Friends of Family Farmers ♦ PO Box 665 ♦ Waltherville, OR 97489

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TESTIMONY IN SUPPORT OF HB 2839

February 11, 2021

Dear Chair Nathanson and Members of the House Committee on Revenue:

My name is Amy Wong and I am the Policy Director for [Friends of Family Farmers](http://www.FriendsofFamilyFarmers.org) (FoFF), a farmer-led non-profit organization that has advocated on behalf of family-scale farmers and ranchers across Oregon for over 15 years.

And it is on behalf of our goal of sustaining and reinvigorating local communities, especially rural ones, that I am writing to support HB 2839, providing disconnection from CARES Act tax provisions, as they do not help small farmers.

It is FoFF's understanding that disconnecting from three federal tax provisions could save the state \$84 million, according to revised LRO estimates, in the current biennium, and \$33 million in the next, and that taxpayers will still receive the federal tax breaks. The federal benefits under these provisions are worth several times more than the additional benefits under connection to Oregon.

Oregonians in the top tax brackets who would benefit from these provisions, including the owners of industrial agriculture operations, have weathered Covid-19 far better than the small farmers and food producers who stepped up to feed Oregonians during the pandemic.

As Covid-19 spread, the industrial food chain suffered numerous breakdowns, like meat processing plant closures, and milk dumping. And these industrial entities—not small farmers—are the ones complaining about the disconnect.

These breakdowns highlight the need for a resilient local food system in Oregon that prioritizes helping diversified small farmers and rural communities. Oregon can do this by pursuing the tax disconnect and spreading the wealth.

There is no shortage of places where these millions of dollars could be directed. FoFF believes investments in agricultural resiliency will yield benefits that will be returned to Oregon in the form of rural economic development, food security, better health outcomes, and healthier soils.

One area is increasing Oregon's meat processing capacity. The legislature passed [HB 4206](#) during the first Special Session, which authorizes a State Meat Inspection program so that ultimately, Oregon will have a regional meat supply, regardless of disruptions in national and international supply chains. [HB 2785](#), a \$10 million grant fund to help expand meat processing capacity in Oregon to run concurrent with the State Meat Inspection Program, is now before the legislature.

Friends of Family Farmers believes this bill will increase rural economic development and help the farmers and food processors who have been feeding Oregon communities during these trying times.

It also will help the twenty-five percent of Oregonians who are experiencing food insecurity—the highest rate in nearly a century—as HB 2785 will make it easier for producers to donate locally produced meat to food banks and other community assistance programs.

In addition, there are many other “ag resiliency” programs that could benefit from increased or new funding. These include:

- Investments in regional agricultural infrastructure beyond meat processing—such as value-added facilities, cold storage, food hubs, and aid for farmers pivoting to online sales;
- Supporting the Oregon Organic Action plan - [SB 404](#);
- Funding for the [Double Up Food Bucks Oregon](#) program - [SB 555](#), [SB 440](#), and [HB 2292](#);
- Continued funding for [Farm to School](#) and [OSU Extension](#) services;
- Additional funding to the [Oregon Workers Relief Fund](#);
- Strengthening and growing “Ag Finance” programs for Beginning and New Farmers, like [Aggie Bonds](#);
- Funding the [Oregon Agricultural Heritage Program](#) (OAHP).

I would be happy to answer questions or discuss any of these at greater length any time.

Sincerely,

Amy M Wong

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