

March 14, 2023

To: House Committee on Agriculture and Natural Resources;

From: Mike McCarthy, PhD, McCarthy Family Farm, LLC.  
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Re: HB 3244

Chair Helm and Members of the Committee  
Thank you for this opportunity.  
Please support HB 3244

A number of things are happening in the farm sector in Oregon, in the west, in the US and around the globe that will require rethinking how we do business. The issue really is what role will Oregon play in food production going forward. And will the State be a supportive partner?

There are three reasons lately that have made me want the State to focus on competitiveness of Oregon Agriculture:

The first reason: Farmers are quitting. Farms are being sold to larger farms, not smaller ones. In the last 5 years or so some 50 fruit growers, significant family operations, in the Mid-columbia have given up farming. Many in the Willamette Valley are changing crops away from vegetables, fruits, berries and dairy to low labor crops.

The second reason: Change. Rapid change is occurring in all areas that affect farmers. Water, labor costs, generational change, high land costs, ownership patterns, use conflicts, housing costs, supply costs, market conditions, technology, legislation and the regulatory environment. All of these are changing profits. All are changing the world we farm in. All are challenging the way we farm. All are challenging survival of family farms.

The third reason: There has been a lot of effort put into the Chip Semiconductor Task force. Oregon Ag is in need of and deserving of a Task force also.

**1. We need a task force to understand why farmers are getting out.**

**Why have farmers in the Mid Columbia given up: Their reasons:**

1. the difficulty hiring a workforce to get the work done
2. the high cost of labor
3. the infinitely complicated regulatory environment
4. the low profits in farming
5. the cost and complexity of farm worker housing.

**2. We need a Task force to Help manage change.**

For the record this conversation is not about rolling back environmental rules or rolling back safety protections for workers.

Can the State and agencies adopt a position of "do no harm", first? There are a lot of innovative ideas out there. There are new thoughts about regulations and requirements. But they have to be workable

solutions. They have to be financially viable. They have to be affordable. Can we analyze carefully the costs of options?

### **Why a task force?**

The climate, soils, precipitation, diverse crops and access to irrigation will allow Oregon to be a force in food production in the future. Or maybe not?

Will the State of Oregon work to integrate resources, workforce, farmers, support industries and regulations into a system that allows for profitable family farms. It is only by understanding how all of the state agencies are impacting Ag and how their functions help or impede agricultural profitability that we can create a system to maximize food production in Oregon. The Oregon legislature can raise our costs but they can not change the price we get in an open US and global market.

Labor costs going up, fuel costs going up, supplies and equipment prices going up and farm gate sales are not keeping up. Farm product prices are not keeping up. An example: when I started farming in 1980 if I sold 50 bins of fruit and took those gross dollars (not profit) I could buy a new pickup. Now it takes 200 bins of fruit to buy a pickup. Farm product prices are not keeping up. Oregon lost 1300 farms from 2012 to 2017. Farm bankruptcies are up in the NW. What are the economics for Oregon farms compared to other farms in the US? I can tell you most farmers are not making much.

We want healthy food accessible to all, but is the price of food too cheap to allow for farm profits? Consumers in the US spend one half of what most other developed countries pay as percent of personal income.

But Oregon farmers have paid the highest prevailing wages in the US to farm workers for the last 3 years. For labor intensive farms, labor can be 65% of costs. If it is a goal of Oregon, how will we maintain family farms?

Is there a niche for small farms? Farms are becoming larger if they survive.

Are our regulations, labor situation causing only large farms to exist? Consolidation is occurring rapidly. Some say only mega farms can survive in this state.

Do farm families have to have off farm jobs to stay in business?

Will farms in Oregon only be owned by people who need a tax deduction?

Will the trend continue to move food production south of the US border?

Is there anything that can be done about retail consolidation to improve prices received by farmers?

The task force will help to integrate the roles of different agencies with the farm sector in the state's pursuit of viable food production.

**The issue really is what role will Oregon play in food production and how can the State be a supportive partner.**