



OREGON
FARM
BUREAU

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and
GROWING STRONG

May 9, 2023

HB 2073 – House Committee on Revenue

To: Chair Nathanson, Vice-Chairs Reschke and Walters, and members of the committee

Oregon Farm Bureau proudly represents more than 6,600 farmers and ranchers. We are a grassroots, nonpartisan, nonprofit organization representing the depth and breadth of Oregon's diverse agriculture community. Our member families raise all of Oregon's 225+ agricultural commodities, from hops to hazelnuts, cattle to caneberries.

We see HB 2073 and the -1 amendment as a win-win and a simple fix.

Agriculture is distinctive in that nearly every aspect of public policy impacts farmers' and ranchers' ability to do their jobs and remain profitable. An example of this is the impact on processors related to the CAT. Currently, farmers who sell their crops to processors do not qualify for the out-of-state resale certificate, even if their crops are resold outside of Oregon. This creates a disincentive to sell to Oregon-based processors, meaning some taxpayers are unable to obtain documentation needed to accurately calculate which portion of their crops are sold in-state vs out-of-state.

Oregon Farm Bureau is in strong support of HB 2073 and the -1 amendment

Earlier this session, you heard from one of our hazelnut growers who described how he raises and sells nuts to processors, who then sell the nuts throughout the world. The processor sells the hazelnuts in the shell which aren't considered to be "processed" given they're aren't altered but in a natural state. In the last several years, there has been a decrease in those nuts sold in-shell vs. the kernel market. Cracking hazelnuts, removing the shells from the kernels and slightly roasting them for sanitary purposes, is considered processing which means these growers have to pay the CAT – regardless of kernels being sold throughout the world.

We want to thank Chair Nathanson and Vice-Chair Reschke for continuing to work with us and supporting this effort. We're thankful for the opportunity to engage and create a meaningful fix for Oregon's farmers.

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