



May 25, 2023

RE: SB1058-2; Support and Expand Organic Agriculture by Providing Reimbursements for Agricultural Producers.

Dear Chair Lieber and Members of the Committee:

I am writing in support of SB 1058-2, which would provide a state match to the federal organic certification cost share reimbursement and supports farmers transitioning to organic production.

Organically Grown Company, known as OGC, began 45 years ago as a non-profit grower’s cooperative, selling fresh, organic produce and specialty crops to help small to mid-size farms expand their market access and to get healthy food to the people.

By 1980 OGC had created an agricultural marketing cooperative, purchased a cooler, and built its first loading dock in Eugene, Oregon. Along the way, OGC became an S-class corporation in 1999, and in 2008 an employee stock ownership program (ESOP) took effect. Then in 2018, OGC became proudly owned by the first-of-its-kind Sustainable Food and Agriculture Perpetual Purpose Trust¹. This Trust ownership model allows the company to remain independent and true to its mission to promote and inspire the growth of the organic agriculture movement.

Today, as a Trust-owned organization, OGC operates out of seven facilities in the Pacific Northwest and employs over 250 produce professionals. In 2022 OGC distributed over 125 million pounds of fresh, certified organic produce to eaters, with an estimated 20 million pounds grown by many of Oregon’s 500+ certified organic farmers.

With the passing of SB1058-2, Oregon would signal to the state and the rest of the country its support for farms and businesses, of all size and scale, who voluntarily choose to produce food (and fiber) in a sustainable, toxic-free, and climate-smart manner. Passing this bill would make Oregon the first state in the nation to provide a state match to the federal organic certification cost share reimbursement program, which is available to all certified organic farmers and businesses. Oregon could set the trend by creating the model for which other states could follow, helping all farms and businesses offset the increasing cost of organic certification.

¹ HB 2598 (yr. 2019) paved the way for stewardship trusts to become an option for ownership of businesses in Oregon. OGC has since helped several other Oregon companies transition to such Stewardship Trusts.

PASS SB1058-2

Support Organic business in Oregon:

*Oregon ranks 5th in the nation for sales of organic farm products.

*Oregon is the 3rd largest producer of organic fruit & vegetable crops.

*Transition to organic takes 3 years, with no return of an organic premium.

*Organic is the original climate-smart agriculture, back by 3rd-party verification.

*Organic sales topped \$67 billion nationwide in 2022.

*Organic agricultural hot-spots boost local household incomes by an average of \$1,014 compared to conventional agricultural hotspots.





According to research conducted by Oregon Tilth, one of the nation's largest organic certification agencies, the national average annual cost of organic certification (certification fee + inspection) in 2020 was \$2,813. This is a dramatic increase of more than 85% from 2012 when the national average was only \$1,516.² And the costs associated with maintaining organic certification continue to rise.

Not only do organic farmers experience fees for annual certification and inspections, but they also face increased production costs (when compared to non-organic production) to meet the rigorous, process-based standards for crop and livestock production and product handling and manufacturing. Here are just a few of the additional expenses organic farmers and businesses may incur in order to maintain their certification:

- Plant residue or soil testing to demonstrate a need for the use of micronutrients,
- Costly non-synthetic pest control materials and plant nutrition,
- Planting and maintenance of cover crops, which in turn produces non-marketable crops,
- Maintaining buffers to protect organic crops from neighboring activities,
- Special allowed medications and treatment practices for organically raised livestock,
- Specific cleaners and sanitizers that are permitted for use in organic production,
- Separate processing lines or production protocols dedicated to organic product manufacturing,
- Dedicated storage areas for organic raw and processed products,
- Development and maintenance of documented fraud prevention and organic system plans, and
- Employees or teams dedicated to maintaining the records and documentation necessary to demonstrate organic integrity hasn't been compromised at every step of production.

Simply stated, "producing food responsibly does not come without added costs and risks, but the benefit to the people and planet makes it worth it."

As climate change disrupts our food and agriculture systems, organic practices offer solutions that mitigate adverse impacts, support adaptation towards agricultural and economic resilience, and offer new market opportunities. In times of extreme drought and heat, organic systems have been shown to have up to 40% higher yields compared to non-organic systems. Organically managed soils have higher water holding capacity and almost 10 times greater water infiltration than those managed conventionally, meaning they thrive better in times of drought and flood. Organic soil has 44% more stable sequestered carbon and organic farming practices release 50% less nitrates into the groundwater. All of this is, and more, supported by research. (See document titled, *The Science Behind Organic*, uploaded as a Report to the testimony page for SB 1058).

We are asking that the legislature approve SB1058-2 and support the farmers and businesses who are producing our food responsibly. By approving a match of federal funds, Oregon has a unique opportunity to support every business within an entire sector of agriculture- small, medium and largescale operations alike, for a relatively small cost. The Oregon organic industry is comprised of

² [Oregon Tilth's Policy Recommendations for the Organic Certification Cost Share Program by Oregon Tilth - Issuu](#)





farmers and businesses that identify as Republican and Democrat, manage split operations (organic and non-organic), and produce organic nursery stock, grass seed, fruits/vegetables, livestock, eggs, milk, animal feed, baby food, microwavable dinners, and even wine, beer and spirits. Organic farmers in our state identify as white, brown, black, straight, gay and transgender, and reside in all geographic regions of the state. It’s not often that the legislature has an opportunity such as this one, within a single piece of legislation. Oregon can and should be a leader in the organic space and support every farmer that identifies as organic!

Please vote yes on SB1058-2!

Respectfully submitted,

Mike Dill
Manager of Policy and Advocacy

