

January 22, 2025

To: House Agriculture, Land Use, Natural Resources and Water Committee

From: Mike McCarthy, PhD, McCarthy Family Farm, Parkdale

Re: HB 2166

Committee Co-Chairs Owens and Helm, Vice-Chair Finger MacDonald and Committee members, Rep Hartman, Rep Levy, Rep Boice, Rep Marsh and Rep Scharf.

Several years ago, working with Chair Helm we drafted this bill and it passed in the 2023 Session but was not funded. We hope you will approve this bill with a recommendation to be funded.

I have participated in Oregon Agriculture for over 60 years. I have always had an interest in farming, raising and selling vegetables, fruit, sheep, cattle and working on numerous kinds of farms as a kid in Douglas County. After doing research and teaching during graduate school at OSU, University of Wisconsin and Michigan State University I began farming full time in Hood River County in 1980. I am a first generation farmer.

Now with my two sons we raise principally pears but also raise apples, cherries, peaches and cattle. Like many farmers we tried different crops, different practices and different marketing strategies. We have tried Christmas trees, hay, cut flowers, horseradish, lavender, pears in a bottle for brandy and a few other things.

We have done our own on farm research starting in 1980 on soil health, organic, composting, mulching, chipping, fumigation, high density, cover crops and cooperative research with OSU and WSU in rootstocks and pest control. We now have a new name, regenerative, for these old practices. We also have mechanized to the extent possible, by building our own labor saving orchard work platforms.

Hood River and Wasco counties are important fruit growing areas with very labor intensive crops. Fruit and vegetable production because of the delicate nature of these crops, require extensive hand labor which is 60% of the annual expenses for family farms.

Because of a unique climate Hood River county grows 40% of the pears produced in the US. We are proud to provide US grown fruit to US consumers in stores all across the country fall, winter and spring.

Challenges for farmers seem to be increasing everyday.

Family farms are overwhelmed by labor shortages, the high cost of labor, housing costs, compliance costs, and the rapidly increasing cost of land. Farm land prices are increasing because of outside equity, private estates on farmland and too many unnecessary non farm commercial uses. These all pose real problems for starting farmer.

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Figure 1. Compliance list.

Farm Compliance

Food and Produce Safety-Federal and Third Party

- FSMA
- GAP
- Global GAP
- SQE
- Costco GAP Addendum

OSHA

- Field Sanitation
- Ag Labor Housing Registration and Pre-occupancy inspection
- Ag Labor Housing Construction Codes
- Potable Water Testing and Labeling
- PPE
- WPS
- Hazard Communication
- Annual Medical Exam for Respirator Use
- Respirator Fit Test
- AEZ
- Tractor Safety Training
- Ladder Safety Training
- Forklift Training
- Housing Heat Rules
- Housing Covid Rules
- Housing Smoke Rules
- Work Place Heat, Smoke and Covid Rules

Farm Compliance (Cont.)

ODA and State Rules

- Private Pesticide Applicator License Rules
- Applicator Education Rules
- Pesticide Use Reporting
- Water Rights
- Water Use Rules
- Predator Control
- On Farm Fuel Storage and Containment
- Organic Farm Certification
- ODOT Farm Truck Certification

Dept. of Labor (DOL) and Guest Worker Program

- Migrant and Seasonal Worker Protection Act
- H2a Application Rules and VISA rules
- H2a Transportation Rules
- H2a Contract and AEWB Rules
- H2a Housing Rules
- H2a Preoccupancy Inspection
- Ag Labor contracting

EPA

- WOTUS
- Ditch cleaning
- Riparian Area

DOT

- Farm Truck Certification and Licensing

This list is mostly farming specific regulations beyond what is required of non farm businesses. Family farms do not have staff to do this.

Can we maintain the important health and safety functions but simply the process?

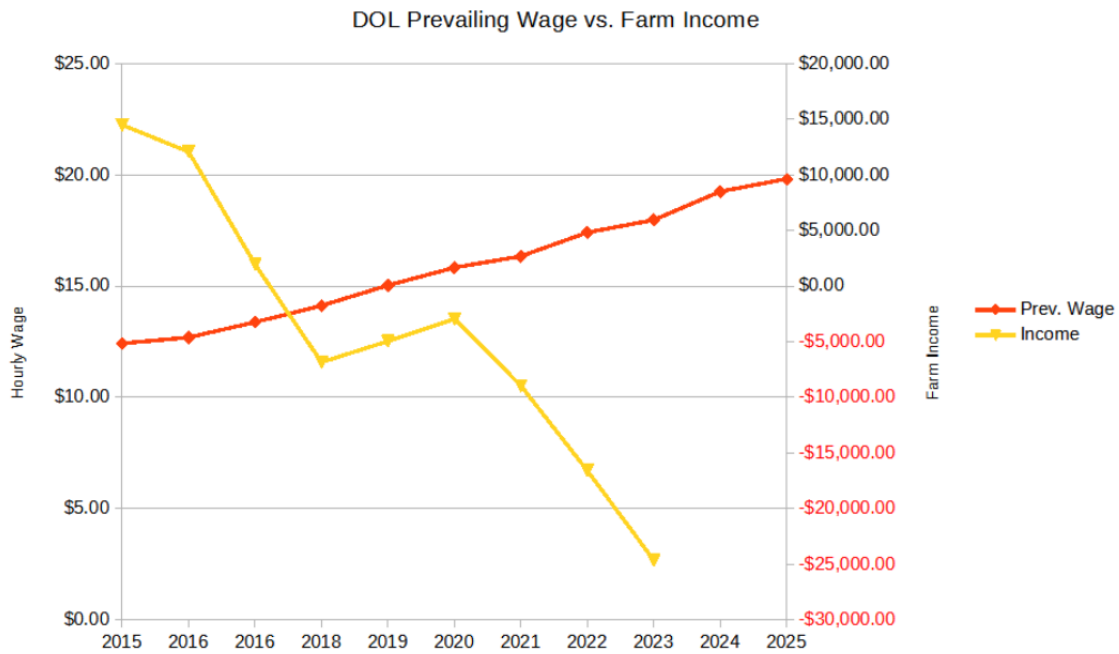
Oregon farms provide million of dollars of free housing each year to employees. The new housing rules now make housing almost impossible to provide.

On the new OSHA housing rules, Lesley Tamura, farmer and President of the Columbia Gorge Fruit Growers Assoc. said:

“With each new requirement imposed upon us, our future as individual growers and as an industry becomes less viable. Its unacceptable for our state leaders to ignore this economic reality and to continue to disregard the truth of our financial circumstances”.

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Figure 2. Labor rates and Proprietor Income, Hood River County.



The prevailing farm wage in Oregon is in RED (left axis) calculated by DOL.

Farm wages grew faster than the CPI:

Wages grew at 47%, The sum of the CPI was 35%.

Wages in the Oregon/Washington Region have been the highest in the US during some of this period, 13% higher than the US average and 31% higher than many farm states.

With housing, Oregon is the most expensive state in the US to farm in. This also makes Oregon grown crops non competitive to supply large retailers in the US, who regularly opt for non US grown crops to feed the US because they are cheaper. Most Oregon farms that support families grow enough volume to need to sell some of their product to large retail. This

We are competing against fruit and vegetables grown in countries like Mexico where farm workers make \$1.00 per hour. And remember that wages (\$20.00/hour DOL figure in Oregon) and housing account for 70% of farm expenses for family farms.

Farm proprietor income calculated by Dept of Commerce for Hood River County obviously decreased sharply, yellow line far below break even. Farm families are operating at a net loss for the year each year.

Many farm family members work for nothing during the year. And many farmers are borrowing more each year to continue to farm, hoping for better days. Without better days liquidation of farms will accelerate.

Will this industry survive? Can we grow labor intensive fruit and vegetable crops in Oregon, pay workers a decent wage and survive? Unless something is done at the state level, the downward trend in farm profits and crops grown in Oregon will continue.

HB 2166 will help to identify areas where there are opportunities to improve Oregon production agriculture competitiveness and insure success for the industry.