



Locally Grown
and
GROWING STRONG

April 24, 2025

Re: HB 3489 – Severance Tax

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

Oregon Farm Bureau stands in opposition to HB 3489 and the implementation of a severance tax. OFB is the state's most inclusive agriculture organization, proudly representing more than 6,500 family farms and ranches, including small woodland owners, that produce more than 220 agricultural commodities. From hops and hazelnuts to cattle, cranberries, and timber with operations spanning from just a few acres to thousands, our members utilize all farming methods including organic, conventional, regenerative, biotech, and even no-tech.

While we haven't had a chance to thoroughly review the -1 amendment, OFB is opposed to the base bill.

The proposal to defund the Oregon Forest Resources Institute (OFRI) and move those resources to other programs which are more appropriately a general fund obligation would set a significant precedent for all of Oregon's commodity commissions. Oregon has more than 20 commodity commissions that operate with oversight from the Oregon Department of Agriculture, ranging from cherries to salmon to blueberries. These commissions serve an important role for their industries, engaging in marketing, promotion, research, and education.

Critically, all Oregon commodity commissions, including OFRI, are funded exclusively by the industries they serve – there are no general fund dollars that go to support our commodity commissions.

OFB opposes the idea that landowners should pay a differential rate based on size of production. In much of agriculture, physical size of operation is actually a counter-indicator to profitability. Some crops have prices or yields such that a family can make a living on relatively few acres. For others, it takes a very large acreage to support a family. These circumstances are driven by conditions outside the farm or ranch family's control, such as soil type, water availability, and others. Size and profitability are not linked in a way that should guide tax policy.

This is an outrageous tax increase during a period of significant economic uncertainty, with mills shutting down across the state. The timber industry already contributes \$65 million annually to wildfire protection and must remain competitive in both national and international markets.

We urge you to reconsider moving forward with this legislation.

Thank you.

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