

McPHILLIPS FARMS

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Opposition to HB 4153: Farm Stores on EFU Land Threaten Oregon's Farmland Economy

Dear Members of the Oregon Legislature,

I am writing to strongly oppose House Bill 4153, which would expand allowances for farm stores on Exclusive Farm Use (EFU) land. While the bill may be framed as support for farmers, its real and predictable effect will be to further erode Oregon's farmland protections, increase EFU land values and taxes, and accelerate the displacement of working family farms.

Oregon has just experienced a significant shift with the recent Supreme Court decision allowing large, hotel-like bed and breakfast developments on EFU land. These cases were brought not by long-standing farmers, but by a billionaire and a near-billionaire who were not farmers until they arrived with the capital to construct eight-room, purpose-built lodging facilities designed explicitly to challenge EFU protections. The result is not benign. These developments drive up assessed values and taxes on surrounding EFU land, inflating farmland prices beyond the reach of traditional farmers who cannot, and do not want to, build luxury hospitality infrastructure to survive.

HB 4153 would compound this damage. Once unbridled off site generated retail is allowed on EFU land, it will not remain limited to modest, farmer-scale operations. History tells us otherwise. The allowance itself becomes the wedge. Well-capitalized entities with agritourism and retail as core components of their business models will move in, building boutique stores that far exceed the scale and intent of family farming. As land values rise, so do farm deferral taxes, making it increasingly difficult for families to hold onto land across generations. The pressure to sell out, to those same large corporations, becomes overwhelming. Oregon farmland remains more affordable to new and legacy farmers than in most of the U.S. - despite its rich soil, ample water, and favorable climate, because the state's land-use system was designed to protect land for farming and resist speculative development that doesn't involve farming.

We have already lived through this exact land-use breaking pattern in Yamhill County. The Riverbend landfill in McMinnville was originally sited to serve local needs. Once established it was left open to expansion and sale, ultimately becoming a massive regional landfill owned by Waste Management – a Fortune 500 Corporation. Prime century old farmland was destroyed, and contamination leaked into the air and the river. What was promised as “limited” and “local” became something far larger and far more harmful than originally envisioned. EFU retail will follow the same trajectory.

EFU zoning exists to protect land for farming, not for retail, hospitality, or speculative real estate development disguised as agricultural support. Every new exception weakens the whole system. The entire rural lands deferred tax system is a grand bargain between those who farm and those that govern our tax base (you the Legislature!) to keep farmland affordable. HB 4153 is a tax boondoggle that moves Oregon further down a path where farming becomes secondary to tourism and retail, and where only the wealthiest players can afford to participate.

If Oregon is serious about preserving farmland, supporting working farmers, and maintaining intergenerational agricultural viability, then the answer is not more loopholes. It is stronger, clearer protections for EFU land and the people who farm it.

I urge you to oppose HB 4153.

Respectfully,

Ramsey McPhillips

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