

Support for SB 620

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My name is Ryan Malpass and I am a 5th generation farmer in the Willamette Valley. Our family farm specializes in Grass Seed production along with growing corn, wheat, and mint. We have also grown over 25 different crops on our farm since its beginning. In 2010 we tried growing soybeans for the first time. Although soybeans are one of the top crops in the nation it has never been grown with great success in the Willamette Valley. That should bring questions to your mind like why try it then?

First I would have to say the price, not only the price of soybeans but the price of grass seed. Our market of grass seed has crashed and is slowly rebuilding itself. So for a farm like ours where grass seed is your primary crop you have to start looking for alternatives and fast. We still hold inventory from previous years with crop production coming in with no place for it to go. We switched as much ground as we could out of the production of grass to other crops that could bring in income (such as corn, wheat, and mint). Even doing that, farms can only produce so much of a given crop due to demand and the ground they can grow it on. We have reached our threshold of that demand and have to go looking for other options.

On our farm each acre has to produce a gross dollar amount for us to survive. It breaks down into two easy groups, irigateable acres and non-irigatable acres. The irigateable acres have to bring in a gross of \$1000 dollars per acre to keep our family farm going. And the non-irigateable acres have to bring in at least \$500 gross. Theses are the simple numbers that keep our farm running from year to year. Grass seed has not been there for years, but is slowly returning.

Soybeans are an attractive crop with low inputs on cost of production and a high return on the price per bushel. So far we figure our gross per acre at between \$300 to \$1400 dollars per acre. That is quite a large margin but I explain why. Soybeans are not grown in the Valley period. Now whether they can grow or will grow for a profit that is to be seen. Last year I made \$300 dollars per acre gross on our beans. That was irrigated beans. So why would I try it again? There are a million variables when growing a crop that isn't in production in your region weather, genetics, pests, disease, soil quality, plant characteristics, and timing just to name a few. Universities can only offer some advice because of little research and local farmers are no help because they don't grow it. It is a huge learning curve but you have to start somewhere. And we did, we grossed \$300 dollars per acre. So why try it again? There is potential we see. Find

the right variety (which there are 100's) and I believe this will work. I could bore you with trial data and timings of this and that but again the simple point is there is potential.

If it wasn't for the bio fuel tax credit I would be writing this letter to you today. The pure fact is that the tax credit was a vital tool for us in trying this new crop. I say tool because that's what it's proven to be. Just like a tractor or sprayer this tax credit has given our farm a chance to earn income from the ground we farm. Setting aside those dollars has bred creativity. Having security in trying something new is a huge help to our farm and others that take this opportunity. I am sure when created, the bio-fuel tax credit was billed as doing just what I have outlined on our farm.

As a farmer in Oregon I understand the tough financial times we are enduring right now. Our own family business has had to make significant financial cuts to survive the collapse of the Grass Seed Market. In making these cuts we have also had to find other crops to fill the economic void left from not being able to sell our seed. We are trying to use every resource at our disposal to stay ahead of this most uncertain situation. So I understand the fiscal situation the state finds itself in and the need to look at every situation.

In our business model we are investing time and resources in the areas that are making us money and cutting the areas where it's not. It seems like a simple statement to such a complex problem but it works for us. I look at how Oregon Agriculture is a shining star in the latest unemployment numbers. With 1 in 7 people having work because of Oregon Agriculture I ask you today to consider renewing the tax credit for this very reason. It is working for you and providing a return. It allows us to put Oregonians back to work. Let Oregon Agriculture lead the way out of economic uncertainty by investing in it.

Thank you

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