

Chair Witt, members of the committee:

I'm here to support passage of HB 2700, on behalf of the Oregon Farmers' Markets Association, (part of the Oregon Grows Partnership) and Corvallis-Albany Farmers' Markets.

I have managed farmers' markets since 1995. For perhaps the last five years I've seen a surge of interest in farming from young people who are not from farm families and thus do not have ready access to suitable land and equipment.

They bring an impressive level of business acumen and agricultural knowledge even without a farm upbringing. But there is little I can do to assist the launch unless they can secure land.

A few young people may have family resources to tap, but most find themselves asking at community banks. For a variety of reasons that are often not the fault of borrowers, too few are getting to "yes." Some banks are simply not lending to small farms. A would-be farmer can get only so far by maxing out credit cards.

Other Oregon small farms have managed to get started and have viable business plans but cannot expand for want of capital. They might need more land or equipment to add value. Federal grants, like the Value Added Producer Grant, typically are not for acquisition.

Ag entrepreneurship at the local level already has done a lot to strengthen local economies in Oregon, and HB 2700 could move the state further in this direction. Farmers' markets are opening in smaller communities than I would have ever dreamed possible. If all the groceries in a rural town are purchased many miles outside the town and now there is a local farmers' market where new & small farms can sell food to their neighbors, you can imagine how the economic multiplier effect gets more impressive.

The Aggie Bonds approach offers both additional security for banks, which benefit from federal tax exemptions on the interest, and the promise of better rates for farm borrowers because banks can share some of that reduced cost. It has potential to extend the reach of Business Oregon into the small ag sector in positive ways. Farmers could get further qualifying assistance through the agency's loan guarantee and loan loss reserve fund.

The mechanism of HB 2700 is fiscally sound – tapping unused capacity in Oregon's potential pool of federally tax-exempt loans. The state's start-up cost is low, especially when compared against the potential benefits to local economies and our food systems.

Thank you for this opportunity to testify in support of HB 2700.