

To: Reps. Beth Patrino, Brad Witt, and all whom it may concern.  
From: Aren Hinely, Partner, Yamhill River Farm, LLC  
Re: H.B. 2700 - Aggie Bonds and Agricultural Financing

My friends at Friends of Family Farmers have alerted me to an upcoming hearing regarding legislation (H.B.2700) that would reduce the cost of financing for small and beginning farmers and ranchers. I would like to take just a moment to voice my support for such action and explain why it would help, and could have helped, our small farm.

Our small farm was founded in 2011 on 8.5 acres in Sheridan that was not producing any food at the time. My parents purchased the land in 2010, and after substantial investment of time and money, we now grow produce and raise animals in an integrated system. The property has water rights and is an exceptional riparian property along the south fork of the Yamhill River. We strive to steward this resource by leaving a significant buffer along the river of native vegetation, and we use no pesticides or herbicides. We sell to restaurants in Yamhill County, Portland, and at the McMinnville Farmers Market.

Our methods are somewhat capital-intensive, and we have moved slowly due to the need to balance our means of financing. We have relied on off-the-farm jobs and loans from family for many of the capital improvements such as livestock fencing, greenhouses, an irrigation system, and a small tractor. We have nursed our revenue for operating expenses and supplies. We have grown steadily but still have not paid ourselves even a stipend for living expenses. This year we have begun to pursue a line of credit from our bank, but the standards are high, and the origination and annual fees are significant. USDA offers a new series of microloans, but they are intended as a last resort, so they will help, perhaps, if we are sufficiently "denied" the more expensive conventional financing.

I hope that H.B. 2700 would provide an alternative for producers in a similar situation as ours. I have talked with similar small-scale producers who struggle to meet demand for their product because traditional lending criteria struggle to fit the relatively unique properties of small, diversified farms. Those with family resources, such as ours, have had an advantage, and while I am grateful that we have been able to achieve many of our goals, sustainable agriculture is a collaborative industry that gains strength and self-sufficiency through greater numbers. Lower barriers to entry for farmers will provide a stronger baseline for those supporting agricultural industries that used to be prolific in the west - feed mills, agricultural suppliers, auction yards, small abattoirs, etc. Not to mention the emerging food processors, restaurants, and other small buyers that want locally produced agricultural products and find tight supplies. Helping small farms start and grow helps keep these businesses open and that helps existing farmers.

Thank you for taking the time to consider my support for this important bill.

Sincerely,

Aren Hinely  
Yamhill River Farm, LLC