



PLEASE VOTE "YES" ON SB 1541

Reinstates tax credit for crop donations

Fresh food is critical to a healthy diet. We all need it. Without fresh food, our health, quality of life, and productivity could be compromised. Oregon Food Bank wants to increase the amount of fresh food distributed to Oregonians facing hunger, especially for vulnerable populations like seniors and children. Many farmers and producers want to donate crops but the cost of harvesting, transportation, and storage can make a donation cost prohibitive. Many farmers use cash accounting and thus are not eligible for a federal deduction. A state tax credit can fill that gap. It can make the difference for a farmer choosing between donating more and donating at all.

Donating crops and livestock to charities is not free...

It costs just about the same to harvest crops for donations as it does for wholesale. The same inputs are required. Harvesting and transporting large quantities of food, whether its line crops or tree fruit, requires labor, equipment, processing such as cleaning, cold storage, and fuel. The state tax credit for donating crops, created in 1977, expired in 2011.

A reinstated and improved tax credit would help Oregon producers partially cover the cost of donating crops and livestock, enabling some to donate more and others to donate for the first time.

Key details of SB 1541

- Oregon farmers and producers would be able to receive a tax credit valued at 15 percent of the wholesale price of the food product to help cover some of the cost of donation.
- Cap: total credit claimed can not exceed total liability and is non-refundable.
- An unused tax credit can be carried forward up to three years.

"Crop" is defined "but is not limited to, bedding plants that produce food, orchard stock intended for the production of food and livestock that may be processed into food for human consumption." (ORS 315-154)

A sample calculation: a farmer donates 5 tons of potatoes (10,000lbs.). If the market price is \$6.50/100 lbs. or \$0.065/lb., then 15 percent of the price of these potatoes is \$0.00975/lb. x 10,000-lbs or \$97.50 in tax credit from a wholesale value of \$650.

"This (tax) expenditure achieves its purpose...(A ten percent credit) is not enough to pay the cost of fuel to harvest or haul the potatoes...The Dept. of Agriculture proposes the credit be increased to 50 percent of the wholesale market price."

-Oregon 2011-13 Tax Expenditure Report

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**FROM THE DESK OF
SENATOR BETSY JOHNSON**

Farms & Businesses:

Mason Hill Orchard, North Plains
 Fort Vannoy Farms, Inc., Grants Pass
 The Pumpkin Patch & Delta Farm, Portland
 Circle H Farm, Dexter
 Truffula Grove, Corvallis
 Hayhurst Valley Organic Farm & Nursery, Yoncalla
 DeNoble Farms, Tillamook
 Hubrich Farms, Hillsboro
 Kiyokawa Family Orchards, Parkdale
 Unger Farms, Inc., Cornelius
 Happy Dirt Veggie Patch, Medford
 E.Z. Orchards, Salem
 Country Heritage Farms, LLC., Dayton
 Pearmine Farms, Inc., Gervais
 Grins 4 Kidz, Medford
 Nest Best Egg Company, Woodburn
 Portland Farmers Market, Portland
 Beaverton Farmers Market, Beaverton
 McKenzie River Farm, Leaburg
 Garre Farms, LLC, Portland
 Eagle Creek Orchard, Richland
 Stephens Farms, Dayton
 Winters Farms, Troutdale
 Willow-Witt Ranch, Ashland
 Johnson Farms, Eugene
 Skylane Farms Division, Woodburn
 Friends of Zenger Farm, Portland
 Ron LeFore Farms, Milton-Freewater
 McCurdy Farms, Hood River
 Sun Gold Farm, LLC, Forest Grove
 St. John's Farmers Market, St. John's
 People's Food Co-op & Farmers' Market, Portland
 Columbia Gorge Fruit Growers, Odell
 Sauvie Island Organics, Sauvie Island
 Northwest Onion Company, Brooks
 Berggren Demonstration Farm, Eugene
 Lochmead Dairy, Junction City
 Cheviot Hill Sheep Farm, Pleasant Hill
 Camas Country Mill, Alvadore
 Lone Pine Farms, Junction City
 The OG Corner Market, Eugene
 Rain Shadow El Rancho, Scio
 Havurah Farm, Springfield
 Sweet Leaf Farm, Junction City
 Let It Grow Farm, Veneta
 Ruddenklau Farms, Amity
 La Mancha Ranch & Orchard, Sweet Home
 Montecuco Farms, LLC, Canby

Hale Farms, Echo
 Organically Grown Company, Eugene
 Threemile Canyon Farms, Boardman

Organizations:

Farmers Ending Hunger
 Oregon Hunger Task Force
 Oregon Farmers Market Association
 Oregon Farm Bureau Federation
 Friends of Family Farmers
 Northwest Food Processors Association
 Food for All, Future Famers of America-Perrydale/Willamina
 Lane County Food Council
 Willamette Farm & Food Coalition
 Rogue Farm Corps
 Northwest Farm Credit Services
 North Coast Food Web
 Oregon Grows Partnership
 Lane County Food Policy Council
 Clatsop Community Action Regional Food Bank
 Mid-Columbia Community Action Council, Inc.
 Community Action Program of East Central Oregon
 United Community Action Network Food Bank
 Community Connection of NE Oregon, Inc.
 OR Physicians for Social Responsibility
 Food Share of Lincoln County
 Marion-Polk Food Share
 Columbia Pacific Food Bank
 FOOD for Lane County
 Oregon Food Bank-Ontario
 OFB Tillamook County Services
 OFB Washington County Services
 Josephine County Food Bank
 South Coast Food Share
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 Oregon Rural Action
 Creswell Food Pantry
 Allies for a Healthier Oregon
 Oregon Farm to School Program
 City of Portland
 Oregon Wheat Growers League
 Oregon Bureau of Labor and Industries Commissioner Brad Avakian

And more joining...