
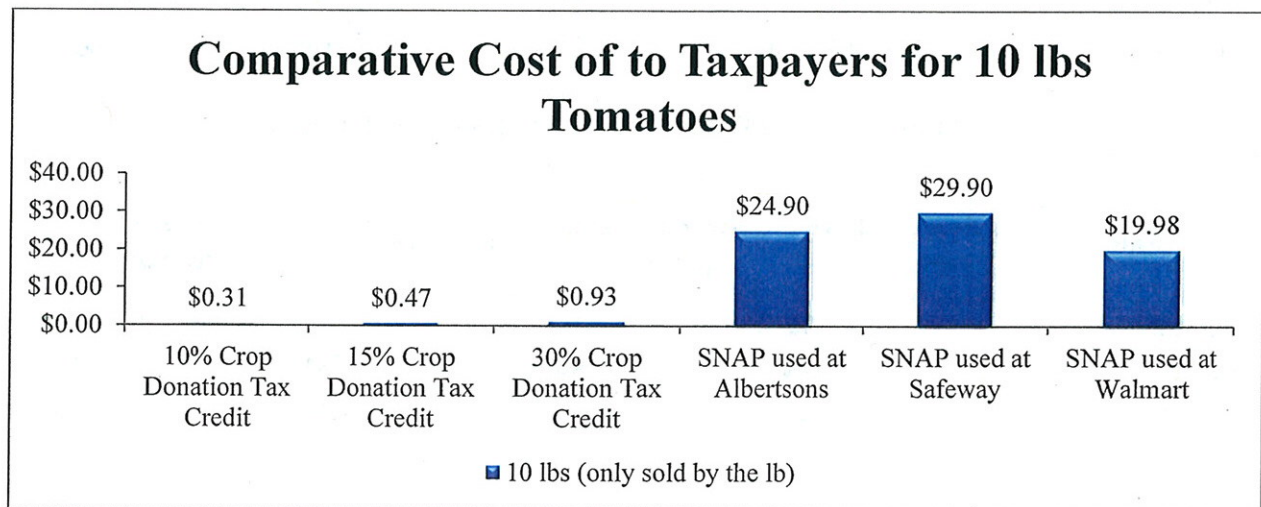
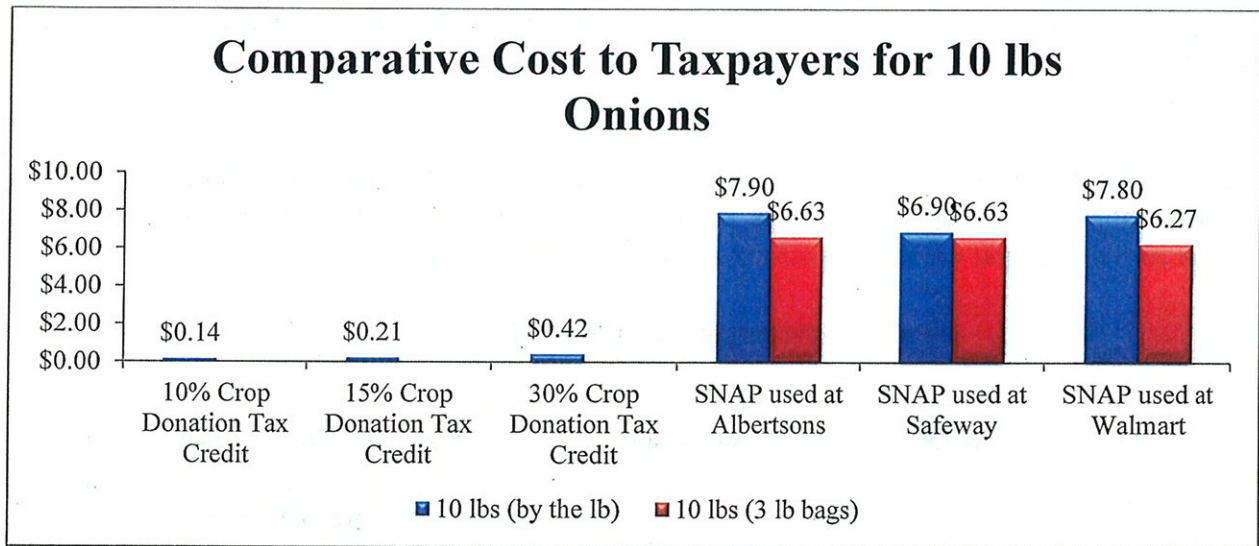
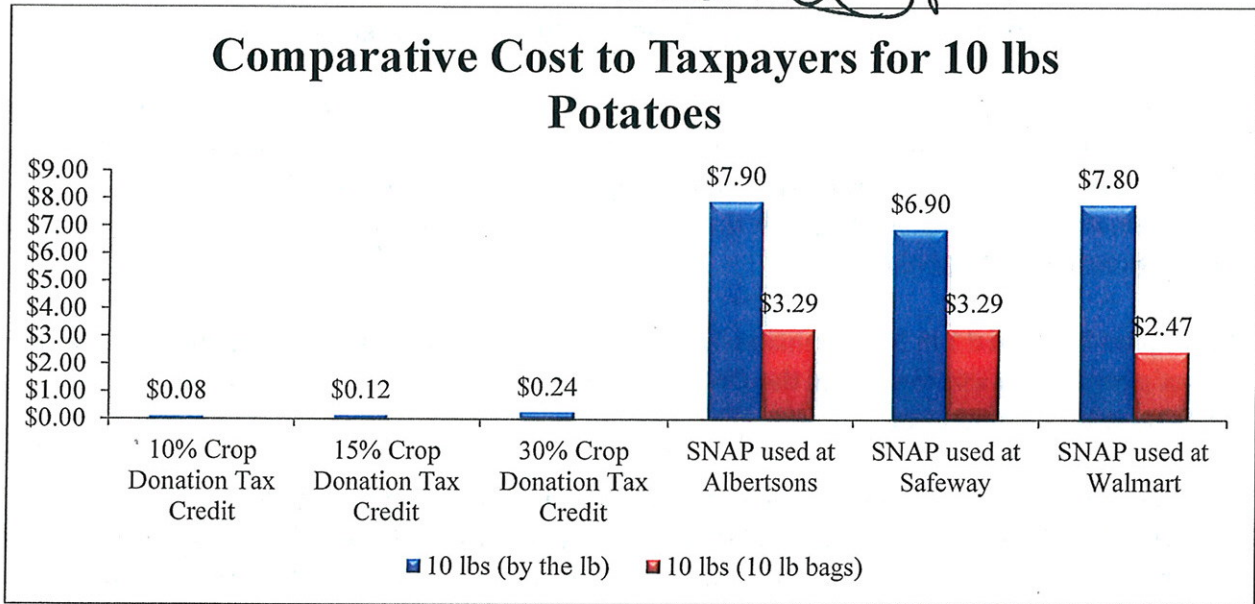


From the desk of Cliff Bentz




The information in this floor letter was developed at the direction of Rep. Cliff Bentz. Prices were obtained by phone calls to Salem area stores who we thank for their cooperation.

S.B. 1541 – A Squandered Opportunity to Feed Oregon’s Hungry

In 2010, the Crop Donation Tax Credit cost Oregon taxpayers approximately \$176,000. Participation in the Supplemental Nutrition Assistance Program (SNAP) program cost Oregon taxpayers over \$67 million in the same year, Oregon’s share of roughly half of the “administrative” costs associated with the SNAP program, which pays out over a billion dollars a year in benefits to Oregonians.

SNAP helps help feed 1 in 5 Oregonians. However, often SNAP benefits are not enough. About 56% of people who use food from the Oregon Food Bank report that they do so because their SNAP benefits have run out.

Crop Donation Tax Credits have a miniscule impact on state tax revenues. Oregon’s Crop Donation Tax Credit, which expired in 2011, returned to farmers 10% of the *wholesale* value of their crop. To put this into perspective, the wholesale price of 100 lbs of potatoes is around \$8.40. If a farmer donates 100 lbs of potatoes, the state lost about 84¢ in tax revenue, and hungry Oregonians received 100 lbs of potatoes. On the other hand, if hungry Oregonians were to purchase 100 lbs of potatoes by the pound at a local grocery store using their SNAP cards, it would cost them about \$75 in SNAP benefits.

With a higher percentage tax credit for crop donations, the State would encourage farmers to donate more to the Oregon Food Bank. If we adopted a 30% tax credit, the 100 lbs of potatoes in the above example would only cost the taxpayers about \$2.50.

Produce Prices per Ton from Different Sources

Crop	Wholesale Price	Albertson’s Price	Safeway Price	Walmart Price
Potato	\$168	\$1,580	\$1,380	\$1,560
Onion	\$280	\$1,580	\$1,380	\$1,180
Tomato	\$626	\$4,980	\$5,980	\$3,960

Markup between Wholesale and Average Retail Prices

Crop	Wholesale Price per pound	Average Retail per pound	Dollar Markup	Percent Markup
Potato	8¢	75¢	67¢	837.50%
Onion	14¢	69¢	55¢	392.86%
Tomato	31¢	\$2.49	\$2.18	703.23%

Prices per ton were calculated using price per pound at retail stores. Percent markups were calculated by dividing the dollar markup by the wholesale price