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February 29, 2017

To: House Revenue Committee
From: Farmer Advisory Committee of 1000 Friends of Oregon

Re: Oppose HB 2859

The Farmer Advisory Committee (FAC) consists of farmers and ranchers from all areas of the state of Oregon. The FAC supports a statewide land use planning system that protects farm and forest land for use by a viable sustainable agricultural industry. In order to provide food, fiber and other farm products and jobs needed by the people of Oregon, nation and world it is essential to maintain our farm land base.

Agriculture continues to be one of Oregon's leading industries, providing over \$50 billion in sales of food, fiber, and agricultural products, and providing over 325,000 full and part-time jobs. It is a top traded-sector industry, bringing new dollars into Oregon's economy.

Oregon's land use system is based on the premise that farmers and ranchers will not develop their land and will keep it in farm use. Farmers and ranchers depend on the special use property tax assessment, which keeps our costs down, allows us to stay on the land, and keeps the land from being developed. Speculative development pressure can make our farm lands extremely valuable and property taxes would be excessive if based on the fair market value.

The mechanization of agriculture and new technologies utilized on farm equipment make farm equipment extremely expensive, some costing \$500,000 or more each. A new tax imposed on farm and irrigation equipment would severely burden Oregon's farms and ranches. The numerous costs imposed on farmers by new Oregon laws are overburdening the agricultural industry to the point that many family farms will not be able to continue to stay in business. Unfortunately, smaller family farms are being impacted the most severely and have fewer resources than mega corporate farms to accommodate these changes. The State of Oregon would be facilitating a selective demise of smaller farms by new costs if HB 2859 were to pass, and encouraging take over by mega farm operations.

To protect the future of the land and those who produce our food and fiber, we ask you to oppose HB 2859.

Mike McCarthy, Trout Creek Orchard
Jim Gilbert, Northwoods Nursery
Co-Chairs, 1000 Friends Farmer Advisory Committee