



Testimony on HB 2072
House Committee on Energy and Environment
April 3, 2017

Chair Helm and Members of the Committee:

The Oregon Farm Bureau (OFB) and Oregon Dairy Farmers Association (ODFA) write to support the tax credits for biomass, including animal waste, that would be extended by HB 2072. We also urge the Committee not to develop a standard to administratively cap or alter the biomass tax credit. By way of background, OFB is the state's largest general agriculture organization, representing approximately 7,000 farm and ranch families in the policy and legal arenas. ODFA represents the 228 dairy farm families in the 21 counties across the State who ensure fluid milk is produced and delivered for processing. The milk they produce is enjoyed as pasteurized milk, cheese, yogurt, ice cream and many more products.

Digesters break down animal wastes through an anaerobic process that essentially creates two valuable byproducts for the farmer. First, energy is created for on-farm or off-farm use by capturing methane. Second, the digested fibers can be used by the farmer for animal bedding. Digesters not only benefit family farmers, but also provide a threefold benefit to the public: (1) digesters have air quality benefits; (2) they make it easier for farmers to manage water quality; and (3) they contribute to state's renewable energy portfolio.

This program has been very successful in encouraging dairy farmers to invest in digesters. In fact, since the program's inception, digesters in eight locations across Oregon have been developed to process the waste from 35 percent of all dairy cows in Oregon. Allowing the state to cap or alter the availability of credits will foreseeably change this upward trend that has resulted in unrealized environmental and economic benefits to both the farmer and general public. And it would harm those producers who have invested in this technology, believing that the state would honor its commitment.

These tax credits assist an industry segment which has been hit hard in recent years. In creating incentives to build and utilize digesters, a door has been opened for Oregon's farmers and ranchers. We respectfully ask you not to close that door.

Please contact Jenny Dresler (jenny@oregonfb.org) or Tammy Dennee (tammy.dennee@oregondairyfarmers.org) with questions.