



Oregon Agriculture: 2018 Not the Time for Cap-and-Trade Legislation

Oregon agriculture does not support the proposed Clean Energy Jobs/Cap-and-Trade legislation as outlined in HB 4001 or SB 1507.

Oregon's agricultural sector is committed to natural resources stewardship and sustainability; we are part of the solution. However, we also believe that in recent years with the adoption of major policy changes (Low Carbon Fuel Standard, Renewable Portfolio Standard, and Coal-to-Clean), Oregon is already a leader in building one of the cleanest economies in the country. Importing California's cap-and-trade program to Oregon will not decrease global greenhouse gas emissions. Instead, it is likely to reduce the viability of Oregon's homegrown businesses and levy downstream financial impacts on farm and ranch families.

Cap-and-trade imposes real costs on farmers and ranchers.

Projected revenues are unlikely to counterbalance the energy and input cost increases associated with the program. It is estimated that 80% of agricultural products grown in Oregon are sold outside the state, and half of that is exported internationally. These additional costs put Oregon's agriculture sector at an economic disadvantage compared to our competitors. These impacts will be especially harmful to young and beginning farmers.

We appreciate the recognition that natural resources play a key role in carbon sequestration, but we are concerned about access to potential offset and incentive programs. These roadblocks include:

- Additionality
- Permanence
- Price
- Project verification
- Administrative barriers

In California, the model for the proposed Oregon program, each of these has resulted in reduced or inequitable participation among producers. Additionality is a core component of California's program and is fundamentally unfair to early adopters, the very people we depend on to lead change that improves sustainability, productivity, and environmental protection. Similarly, permanence ignores the fact that real farming operations must constantly adapt to changing environmental and market conditions, innovation, and allow for succession. The price for "carbon" has never been adequate to make programs for natural resources attractive or come close to offsetting the cost of verification and administration. With over 225 different commodities and a variety of production methods in Oregon, California's rigid program is not the right solution.

Finally, we are concerned about the uncertainties inherent in the legislation. The proposal appears to turn the bulk of decision-making over to a bureaucracy with few checks on the system, and it invests heavily in a Governor-appointed task force whose primary focus has been on farm worker safety and limiting the use of pesticides on Oregon's farms. This legislation should not be the vehicle that permanently funds this task force without a deeper look at the make-up of the task force and its objectives and prior positions. Their focus is not on climate.