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## **Testimony to the House Committee on Rules - Support HB 4001**

Chair Williamson, Members of the Committee,

Thank you for the opportunity to testify on HB 4001 today. Friends of Family Farmers represents small and mid-sized family farmers across Oregon. We work to build strong local and regional food systems and to ensure that family-scale agriculture remains viable in our state today and into the future. We have held farmer and rancher listening sessions across Oregon since 2009. At these meetings, we have heard increasing concern about the impacts of runaway climate change, and a desire for policy makers in Oregon to enact solutions that protect the viability of small and mid-sized family farms and ranches.

This past fall we attended the meetings of the Clean Energy Jobs Work Group on Agriculture, Forests, Fisheries, Rural Communities, and Tribes, submitting comments on the proposals under discussion. We can attest that the process used to develop HB 4001 and SB 1507 during the interim was very public and transparent, with stakeholders from all sides given multiple opportunities to weigh in.

**Friends of Family Farmers is generally supportive of HB 4001 as introduced** and we want to ensure that small and mid-sized family farms can access the programs the legislation would set up. Farmers and ranchers are not only on the front lines of climate change impacts like extreme weather and uncertain water supplies, as land managers we can also be part of the solution. HB 4001 acknowledges the important role that farms and ranches can and are playing in addressing climate change.

We have some concerns about the use of 'offsets' and believe they should be minimized. Offsets tend to benefit the largest landowners and a limited number of practices, but not family-scale farms. That's why we support the Climate Investment Fund that HB 4001 would establish. This program would fund projects that address the harmful impacts of climate change in rural communities while supporting a wide range of activities and practices on farms that sequester carbon in soils, reduce energy use, encourage irrigation efficiency, and protect both working land and natural areas on farms and ranches.

A few examples of agricultural practices that help sequester carbon in soils include: using cover crops and crop rotations, organic and conventional no-till practices, conservation tillage, perennial pasture establishment, rotational grazing of livestock, planting native vegetation along streams and buffer areas, and transition to organic production. We believe HB 4001 would be even stronger if it specifically named some of these practices and added provisions to support on-farm research and collect data on the impact of these and other practices over time. Such research could be used to adapt how grant programs will function in future years.

If structured properly, grants for farmers to employ or expand use of these types of practices could augment voluntary federal conservation programs already popular with Oregon farmers including the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and Agricultural Conservation Easements Program (ACEP), or state level programs for on-farm conservation administered by the Oregon Watershed Enhancement Board (OWEB) and local Soil and Water Conservation Districts (SWCDs).

The benefits to farmers are clear. In California, tens of millions of dollars in grants for practices on farms and ranches have been made available with cap and trade funds in recent years. This includes nearly \$10 million in grants just last month to 17 operations for alternative manure management practices like shifting to dry manure and pasture based systems, and \$35 million for 18 dairy digester projects around the state. California has nearly \$100 million budgeted for these types of projects for next year. California's cap and trade system is also supporting the Healthy Soils Program, which awarded nearly \$4 million in grants for projects on 64 farms and ranches at the end of 2017. This included funding for producers to plant cover crops, reduce tillage, manage nutrients differently, add hedgerows, protect sensitive areas, and undertake other farm-specific practices. **The Healthy Soils Program is intended to support conservation management practices on farms and ranches that sequester carbon, reduce greenhouse gases, and improve soil health.** The greenhouse gas benefits are quantified and soil health is assessed by measuring soil organic matter. An additional \$3 million was granted in 2017 for a variety of on-farm research projects under the Healthy Soils Program.

More information on these programs can be found at:

**CA Alternative Manure Management Program** - <https://www.cdfa.ca.gov/oefi/AMMP/>

**CA Healthy Soils Program** - <https://www.cdfa.ca.gov/oefi/healthysoils/>

One significant critique we have of HB 4001 is that it contains a **problematic loophole** that allows a handful of Oregon's largest mega-dairies to be exempt from any requirement to reduce, or even report, their annual methane emissions. Currently, two of these factory scale dairies account for *more than half* of all dairy cows in the state. A new 30,000 cow mega-dairy was approved by the Oregon Departments of Agriculture and Environmental Quality just last year. Climate impacts were not considered in their decision despite the fact that methane output from the largest mega-dairies in Oregon rivals or exceeds the greenhouse gas emissions of some of Oregon's largest industrial sources. For this reason, **we believe HB 4001 needs to be amended so that individual mega-dairies that release more than 25,000 metric tons of carbon dioxide equivalent annually are subject to the cap and reporting requirements applicable to all other major sources.** Oregon cannot continue to ignore the climate impacts of the growing number of mega-dairies in our state. This loophole must be closed.

Lastly, we believe the Program Advisory Committee created by HB 4001 needs a greater diversity of voices to represent Oregon agriculture. At least one additional seat should be added for members with expertise in organic agriculture or small farm management.

Sincerely,

Ivan Maluski, Policy Director