

Holliday Land & Livestock, Inc.

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February 22, 2019

Joint Committee on Carbon Reduction
Oregon State Legislature
Salem, Oregon

Dear Joint Committee on Carbon Reduction:

We own a cow/calf cattle ranch located in Grant County in Eastern Oregon. We are very concerned about the impact HB 2020 will have on our agricultural business as well as on our rural community.

As a cattle ranch involved in production agriculture, fuel is essential to operate the tractors, trucks and equipment required to conduct our business. As fuel is one of our major expenses, we are very concerned about the increase in fuel prices HB 2020 will bring. Profit margins in agriculture are very slim and many agriculture businesses will find it very difficult, or impossible, to bear the increases.

We are concerned that HB 2020 includes agricultural fuels under the carbon cap. This will increase fuel costs for farm and ranch families by thousands of dollars each year. Currently farmers and ranchers in Oregon have farm vehicle registration available under ORS 805.300 to 805.410. The use of dyed diesel is not allowed in these vehicles as they can be used on public highways. In order to truly exempt farms and ranches from a cap-and-trade system, the on-road diesel used in farm vehicles must also be exempt from the cap in any version of the bill going forward.

Cattle ranchers know firsthand the potential impacts climate change can bring to their agricultural operations. However, we feel HB 2020 fails to meaningfully address adaptation to changes in our climate. In fact, we believe it will seriously damage agriculture. HB 2020 will not protect Oregonians from catastrophic forest fires, drought, and the global impact of CO2 creation.

Cattle ranches in Eastern Oregon are finding it increasingly difficult to maintain their operations for future generations. Fragmentation of agricultural land is a major threat to open spaces, water quality and preservation of fish and wildlife habitat in our state. We find it interesting that Oregon is in the process of implementing the *Oregon Agricultural Heritage Program* to protect farms and ranches from fragmentation and being taken out of production, at the same time HB 2020, which will seriously harm agriculture, is being supported. Either the State of Oregon acknowledges the importance of agriculture and supports it, or it doesn't.

In conclusion, we are opposed to HB 2020 and urge an exemption for agriculture from the cap in any version of the bill going forward.

Sincerely,



Ken & Pat Holliday
Holliday Land & Livestock, Inc.