



Oregon Dairy Farmers Association
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HB 2237 TESTIMONY

HOUSE COMMITTEE ON REVENUE

REPRESENTATIVE NANCY NATHANSON, CHAIR

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Entered into the Record by
Tammy Dennee, Legislative Director
Oregon Dairy Farmers Association

Oregon's Dairy Farmer Association was established in 1892 and has been serving Oregon's dairy farmers since its inception. Oregon is home to just over 200 dairy farms. Oregon's multi-generational organic and conventional Grade A farm families deliver the highest quality milk to the market everyday **under strict state and federal regulations**. The fluid milk they produce is processed into the myriad dairy foods consumers enjoy in the form of ice cream, yogurt, cheese, and pasteurized milk.

In 2017, the fluid milk produced on Oregon's dairy farms resulted in an economic contribution of more than \$500 million dollars in "farm gate value" prior to processing. The number of Oregon Dairies is directly related to the ability of each farm to withstand the volatility in the price of milk against the cost of feed, labor, taxes, equipment and the ever-changing regulatory burden from the state and federal levels. Today's market price for Class 3 fluid milk is just under \$14.00 for 100 pounds of milk. It is important to note, this low price has remained for the past four years. The average cost to produce 100 lbs of milk ranges between \$16.00 - \$18.00. The majority of Oregon's Dairy Producers are subsidizing milk shipments leaving their farms. Milk is unlike other commodities that can be harvested and stored on farm until the market signals to sell. It must be moved as produced and sent to the respective processor.

With many of Oregon's dairy farm families providing on farm housing for their hired staff, the Oregon Dairy Farmers Association is pleased to offer support for the passage of HB 2237. The passage of HB 2237 will renew the Agricultural Workforce Housing Construction tax credit and create the Agricultural Workforce Housing Operations tax credit. The Oregon Dairy Farmers Association supports the passage of HB 2237 as drafted.