

## TESTIMONY

### JOINT COMMITTEE ON CARBON REDUCTION

February 23, 2019

#### Union County Farm Bureau Opposes HB 2020

Union County Farm Bureau opposes HB 2020 as drafted. As a reference, the Union County Farm Bureau is the grassroots organization of the Oregon Farm Bureau Federation (OFB). Union County Farm Bureau represents over 120 Eastern Oregon farm families.

Union County is a rural Eastern Oregon county with natural resource industries at the heart of our economy. Important agricultural products in our area include Kentucky bluegrass seed, peppermint oil, wheat, and cattle. Producers of these and other farm products in our county would be negatively impacted by HB 2020, as I will explain.

The impacts of HB 2020 would be unfair to Farmers in Union County for several reasons. First, since our agricultural commodities are often sold in global markets, farmers don't have the ability to ask for higher prices to offset increased production costs. Other industries that incur costs associated with a carbon tax will simply pass that cost on to their customers. This will result in Union County farmers paying more for fuel, electricity, fertilizer, and other inputs, with no means of recouping those costs. For low-margin family farming operations, and especially for young farmers trying to establish their business, these are costs that cannot be absorbed.

Farmers facing carbon emission caps are in another tough spot, as there aren't any viable alternatives available to replace diesel powered farm machinery; electric tractors have not yet hit our local equipment dealer lots.

Union County farms have worked for generations to reduce their impacts on the environment. Many have already minimized fuel use by adopting precision guidance systems on their equipment and utilizing reduced tillage schemes. Yet, HB 2020 would not reward them for these innovations, nor for the carbon that their crops remove from the atmosphere and sequester in organic matter and plant biomass. An Oregon carbon pricing bill should provide easily accessible offsets and voluntary incentives for farmers in recognition of their contributions to reducing carbon dioxide.

In addition to the direct impacts on ag producers mentioned above, the broader community of Union County will also suffer negative consequences that our urban counterparts have options to mitigate. For example, being a rural county, many residents must travel long distances to obtain goods and services in town without options such as public buses or rail systems available to those in urban areas. Thus, the intent of HB 2020 will not be fulfilled in the rural setting, and residents will be needlessly burdened by increased fuel prices. Other industries in Eastern Oregon counties will doubtless find it even harder to compete with neighboring states and will find it even more attractive to relocate their businesses, further weakening our County's economy.

Union County Farm Bureau opposes HB 2020 as drafted. Thank you for your time and consideration.