



Oregon State University
**Center for Small Farms &
Community Food Systems**

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March 14, 2019

House Committee on Agriculture and Natural Resources

Re: Support for Beginning Farmers & Ranchers (HB 3085, HB 3090, HB 3091)

To the House Committee,

Thank you for the opportunity to provide information in support of a package of bills that address significant, durable challenges for Oregon's new and beginning farmers and ranchers.

Increasing the number of beginning farmers and ranchers (BFRs), and enhancing opportunities for them, has been a national priority for two decades. The OSU Extension Small Farms Program, housed within OSU's Center for Small Farms & Community Food Systems, has had a focus on BFRs since the Program's launch in the mid-1990s. Since then, we have designed and delivered a nationally recognized suite of educational and outreach programs that support BFR success.

At the same time, our years of collaboration with farmers – new, beginning, and experienced – has given us insights into the significant challenges of those first ten years. According to USDA's Economic Research Service, the vast majority (97%) of new farmers are small. Based on their scale and markets, they may have greater exposure to risk than other farmers. Our team's research indicates that farm profitability—an issue for all farmers—is a particular challenge for farmers during their first ten years. A primary factor that affects profitability is the high cost of farmland. Access to suitable farmland and start-up capital, for both land and equipment, are their most difficult barriers to success. Student loan debt also exacerbates the capital crunch for young people coming out of college who want to start a career in farming.

Despite these challenges, many Oregonians dream of starting a farm or ranch, and we continue to see strong demand for our educational and outreach programs that can help them launch. These new and beginning farmers and ranchers are innovative and entrepreneurial, and they contribute to our communities and economies. The proposed bills will provide essential support for this next generation of farmers and ranchers in the following ways:

- **HB 3085** creates a new Family Farmer Loan Program, managed by Business Oregon, to offer direct loans to smaller and beginning family farmers for land or equipment. This will assure that all Oregon BFRs have access to loans, because many existing agricultural lenders do not understand, and therefore are unwilling to support with loans, these farmers' innovative production and marketing plans and practices.
- Similarly, **HB 3091** makes important fixes to Oregon's "Aggie Bonds" beginning farmer loan program. We applauded the creation of this important program in 2013 but have been very concerned about how difficult it has been for farmers to use it and

how few loans have been made. The proposed fixes will assure that this valuable program will actually benefit beginning farmers and ranchers as intended.

- **HB 3090** directly addresses the serious barrier created by the cost of higher education. Student loan debt is an enormous problem in Oregon and nationally. This makes it very difficult for new and beginning farmers and ranchers, especially when they have to take on new debt for land, equipment, and other start-up expenses. The proposed incentive program, to be managed by the Oregon Department of Agriculture, will help BFRs address this debt through loan forgiveness and tuition assistance.

In summary, we strongly support this trio of bills that will address critical challenges for new and beginning farmers and ranchers in Oregon. Why support them and the success of their businesses? They are crucial to assuring that Oregon continues to have a vibrant agricultural economy, with a rich variety of production systems, products, and markets.

Thank you,



Lauren Gwin, Ph.D.
Associate Director



Garry Stephenson, Ph.D.
Director